

William L. Lee, Drummond.
 Carl J. Mueller, Jefferson.
 Louis O. Mueller, Portage.
 Helen T. Donalds, St. Croix Falls.
 Bethel W. Robinson, Superior.
 Thomas J. Kelley, Tomahawk.
 Edward A. Peters, Waterloo.

WYOMING

William Thomas Scott, Gebo.

REJECTION

Executive nomination rejected by the Senate May 28, 1934

UNITED STATES ATTORNEY

Frank S. Bergin to be United States attorney, district of Connecticut.

HOUSE OF REPRESENTATIVES

MONDAY, MAY 28, 1934

The House met at 11 o'clock a.m.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

God, be merciful unto us and bless us; and cause His face to shine upon us; that Thy way be known upon the earth, Thy saving health among all nations. Let the people praise Thee, O God; let all the people praise Thee. O let the nations be glad and sing for joy, for Thou shalt judge the people righteously and govern the nations upon earth. Let the people praise Thee, O God; let all the people praise Thee. Then shall the earth yield her increase, and God, even our God, shall bless us. God shall bless us and all the ends of the earth shall fear Him. We pray in the name of our Savior. Amen.

The Journal of the proceedings of Thursday, May 24, 1934, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 1158. An act for the relief of Annie I. Hissey;
 H.R. 1933. An act for the relief of Philip F. Hamsch;
 H.R. 1943. An act for the relief of A. H. Powell;
 H.R. 1977. An act for the relief of R. A. Hunsinger;
 H.R. 2054. An act for the relief of John S. Cathcart;
 H.R. 2322. An act for the relief of C. K. Morris;
 H.R. 2433. An act for the relief of Anna H. Jones;
 H.R. 2438. An act for the relief of Ruby F. Voiles;
 H.R. 2837. An act to provide for the establishment of the Everglades National Park in the State of Florida, and for other purposes;
 H.R. 3056. An act for the relief of James B. Conner;
 H.R. 3300. An act for the relief of George B. Beaver;
 H.R. 3302. An act for the relief of John Merrill;
 H.R. 4690. An act for the relief of Eula K. Lee;
 H.R. 5477. An act to fix the rates of postage on certain periodicals exceeding 8 ounces in weight;
 H.R. 6179. An act to amend an act entitled "An act to provide for the leasing of coal lands in the Territory of Alaska, and for other purposes";
 H.R. 6803. An act to regulate the distribution, promotion, retirement, and discharge of commissioned officers of the Marine Corps, and for other purposes;
 H.R. 7168. An act for making compensation to the estate of Nellie Lamson;
 H.R. 7289. An act for the relief of H. A. Soderberg;
 H.R. 7343. An act to remove inequities in the law governing eligibility for promotion to the position of chief clerk in the Railway Mail Service;
 H.R. 8241. An act to authorize the construction and operation of certain bridges across the Monongahela, Allegheny, and Youghiogheny Rivers in the county of Allegheny, Pa.;

H.R. 8494. An act to authorize the Secretary of the Interior to modify the terms of existing contracts for the sale of timber on the Quinault Indian Reservation when it is in the interest of the Indians so to do;

H.R. 8714. An act to extend the times for commencing and completing the construction of a bridge across the Pee Dee River and a bridge across the Waccamaw River, both at or near Georgetown, S.C.;

H.R. 8937. An act granting the consent of Congress to the State of Indiana to construct, maintain, and operate a free highway bridge across the Wabash River, at or near Delphi, Ind.;

H.R. 8938. An act to amend the act of Congress approved June 7, 1924, commonly called the "San Carlos Act", and acts supplementary thereto;

H.R. 8951. An act authorizing the city of Shawneetown, Ill., to construct, maintain, and operate a toll bridge across the Ohio River at or near a point between Washington Avenue and Monroe Street in said city of Shawneetown and a point opposite thereto in the county of Union and State of Kentucky;

H.R. 9000. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near Holtwood, Lancaster County;

H.R. 9065. An act granting the consent of Congress to the Department of Public Works of the Commonwealth of Massachusetts to construct, maintain, and operate a free highway bridge across the Connecticut River at Turners Falls, Mass.;

H.R. 9257. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near Bainbridge, Lancaster County, and Manchester, York County;

H.R. 9271. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near Millersburg, Dauphin County, Pa.; and

H.R. 9502. An act authorizing the State Highway Departments of the States of Minnesota and North Dakota to construct, maintain and operate certain free highway bridges across the Red River from Moorhead, Minn., to Fargo, N.Dak.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 3487) relating to direct loans for industrial purposes by Federal Reserve banks, and for other purposes, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. GLASS, Mr. WAGNER, Mr. BARKLEY, Mr. WALCOTT, and Mr. TOWNSEND to be conferees on the part of the Senate.

The measure also announced that the Senate had passed with amendments, in which the concurrence of the House is requested, the bill (H.R. 9068) to provide for promotion by selection in the line of the Navy in the grades of lieutenant commander and lieutenant; to authorize appointment as ensigns in the line of the Navy all midshipmen who hereafter graduate from the Naval Academy, and for other purposes; insists upon its amendments, and requests a conference with the House thereon, and appoints Mr. WALSH, Mr. TYDINGS, and Mr. HALE to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 3025) to amend section 12B of the Federal Reserve Act so as to extend for 1 year the temporary plan for deposit insurance, and for other purposes, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. FLETCHER, Mr. GLASS, Mr. BULKLEY, Mr. WALCOTT, and Mr. TOWNSEND to be the conferees on the part of the Senate.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Latta,

one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On May 24, 1934:

H.R. 211. An act for the relief of John A. Rapelye.

On May 25, 1934:

H.R. 4533. An act for the relief of the widow of D. W. Tanner for expense of purchasing an artificial limb;

H.R. 9092. An act to authorize the Secretary of War to lend to the housing committee of the United Confederate Veterans 250 pyramidal tents, complete; fifteen 16- by 80- by 40-foot assembly tents; thirty 11- by 50- by 15-foot hospitalward tents; 10,000 blankets, olive drab, no. 4; 5,000 canvas cots; 20 field ranges, no. 1; 10 field bake ovens; to be used at the encampment of the United Confederate Veterans, to be held at Chattanooga, Tenn., in June 1934;

H.R. 9394. An act to authorize the Federal Radio Commission to purchase and enclose additional land at the radio station near Grand Island, Nebr.; and

H.J.Res. 345. Joint resolution to provide funds to enable the Secretary of Agriculture to carry out the purposes of the acts approved April 21, 1934, and April 7, 1934, relating, respectively, to cotton and to cattle and dairy products, and for other purposes.

On May 26, 1934:

H.R. 328. An act for the relief of E. W. Gillespie;

H.R. 916. An act for the relief of C. A. Dickson;

H.R. 1197. An act for the relief of Glenna F. Kelley;

H.R. 1211. An act for the relief of R. Gilbertsen;

H.R. 1212. An act for the relief of Marie Toenberg; and

H.R. 7306. An act to amend section 10 of the act entitled "An act extending the homestead laws and providing for right-of-way for railroads in the District of Alaska, and for other purposes", approved May 14, 1898, as amended.

DISPENSING WITH CALENDAR WEDNESDAY

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that the business on Calendar Wednesday of this week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

FEDERAL AID TO EDUCATION—CANNOT UNCLE SAM AFFORD AT LEAST HALF AS MUCH FOR SAVING THE SCHOOLS AS FOR BUILDING ROADS?

Mr. CHRISTIANSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. CHRISTIANSON. Mr. Speaker, since I became a Member a little over a year ago, I have voted "no" on more than \$6,000,000,000 of expenditures that got by the House. While I was Governor I watched appropriations so closely that I became known throughout the State as a "tightwad." I mention these facts, not to invite either praise or blame, but to indicate that when I favor increased spending for any purpose it is only because I am convinced that increased spending for that purpose is true economy.

The gentleman from Massachusetts [Mr. DOUGLASS] has introduced a bill for Federal aid to schools that I shall support. I shall go farther than supporting it; I shall insist that the appropriation be increased from \$75,000,000 to \$225,000,000. Surely if we can afford \$400,000,000 for roads, we can spare a little more than half as much for education. The gentleman comes from a State which has not only always fostered education but has always stood for thrift and economy. It is a pleasure for me, coming from a State which got many of its first school teachers from New England, to back him in his present effort to get the Federal Government to acknowledge in a substantial way its responsibility for education; for I am convinced that by appropriating funds to help the States keep their schools open during this emergency we are saving money as well as values that are worth more than money.

It must be admitted that voting Federal funds for schools is a departure from past practices. That, however, is not a

good reason for refusing to do it. While it is not wise to abandon the old ways of doing things just in order to do something new, neither is it sensible to refuse to adopt new expedients when it is necessary to do so to meet new conditions. The ways of doing things which we now call old were once new. There was a time when it was an innovation to support schools by local taxation; the education of the child was the responsibility of its parents, not of the whole neighborhood. Our forefathers, in spite of objections that were then made, adopted the principle that hiring teachers and paying them was the obligation of all the people. When State aid to schools was first proposed, protests came from those who said that education was the responsibility of the school districts and not of the State. Now, when it is proposed that the Federal Government shall use its taxing power to help pay the cost of what is admittedly a national concern, some consider the proposal as dangerous and even revolutionary. But as we seem to have survived the shock of past efforts to broaden the base of educational support, so we shall escape the dire consequences which some see following in the wake of the passage of the Douglass bill.

Let me consider some of the trends and conditions which make it necessary to enact this measure. There was a time when taxable wealth and income were distributed throughout the country in about the same proportion as population. Then Federal aid would not have accomplished any useful purpose. That condition no longer exists. The business that used to go to the little flour mill at Prairie City has gone to Buffalo, N.Y., and the taxable income of the mill has gone with it, but there are still as many school children in Prairie City as there used to be. Not only the milling of flour but every other business and industry has gravitated toward a relatively few cities, where the income-producing wealth of the country is now to a large extent centered. The concentration of income has proceeded more rapidly than the concentration of population, and, as a result, while some communities can support their essential institutions without much sacrifice, others cannot support them at all. Out of this situation has arisen the necessity for legislation of the kind embodied in the Douglass bill.

Let me call your attention to some conditions which exist today in my own State. School tax levies run as high as 157 mills, tax delinquencies as high as 90 percent. In many districts bond obligations exceeding 50 percent of the assessed valuation have piled up interest charges that make it impossible to meet current expenses. In some of the distressed districts, teachers' salaries run as low as \$25 a month, and in a few instances teachers have to "board around", receiving \$15 or less a month in actual cash. Sixty percent of the teachers in distressed districts have been paid in warrants which are either unnegotiable or negotiable only at a discount. Outstanding warrants constitute an ever-growing obligation and in many cases have accumulated in such amounts that the banks have stopped cashing them. Some districts have paid their teachers with money from the sinking fund, defaulting interest and amortization payments on their bonds in order to do so. These facts, contained in a statement submitted by the Honorable E. M. Phillips, commissioner of education for the State of Minnesota, present a picture that challenges attention.

Continued drought, disappearing industry, unemployment, shrinking valuations, increasing tax delinquency, have brought about a situation which is not pleasant to contemplate, but which we must face courageously. Unless Federal relief is provided, one-half of the Minnesota school districts that have received aid from the Federal Emergency Relief Administration this year will not be able to open their schools in September, and other districts will open them without knowing how long they can keep them open.

Although the situation is most acute in some of the rural counties, the larger cities also are sorely distressed. In Minneapolis, where I live, expenditures for personnel have been reduced 20 percent, other expenditures 24 percent, and still there is a deficit of \$1,142,000. In the neighboring city of St. Paul, a budget smaller than that of 10 years ago by

\$105,800, will have to provide education for 8,000 more pupils.

That the situation I have set forth is not peculiar to Minnesota is shown by figures presented by the Honorable G. F. Zook, United States Commissioner of Education. He recently reported that the cities of the country, with an enrollment 250,000 greater than in 1930, are operating their schools with 18,000 fewer teachers and \$133,000,000 less money. Inasmuch as the city schools are probably much better off than those of the rural communities, it is apparent that the \$75,000,000 Federal aid provided for in the Douglass bill is inadequate.

Mr. Speaker, there never was a time when trained intelligence was needed more than now. The problems confronting the Nation are increasing in number, complexity, and importance. We dare not face those problems with an uninformed electorate. I am not one of those who believe that schooling alone makes a good citizen, but I am sure that without schooling no citizen can meet adequately the responsibilities of the present and the future. During the last months there has been much concern expressed, here and elsewhere, for the future of democracy. "Revolution" and "dictatorship" are words that have been heard with disconcerting frequency. I tell you that revolution and dictatorship come to a people only when that people has become incapable of self-government. Freedom is the condition of those who know how to use it. Let us therefore guard well the foundation of democracy; let us preserve the institutions that make men fit to be free.

ORDER OF BUSINESS

Mr. BYRNS. Mr. Speaker, we have been trying at various times to have a call of the Private Calendar. It is important that we have an early call on House bills. Later on we will ask that the House consider the Senate bills. I ask unanimous consent that it be in order today to take a recess until 7:30 o'clock, and that at the evening session bills on the Private Calendar only, unobjected to, beginning where the House left off on the previous call, be in order.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. TRUAX. I object.

Mr. BYRNS. Mr. Speaker, I renew my request for tomorrow night.

Mr. BLANTON. Reserving the right to object, and, of course, if the majority leader insists on it, I shall not object, because I shall not oppose anything that the leader wants done. He is such a splendid leader that we all ought to follow him, but we are going to have time on our hands waiting on the Senate, so why cannot we have a call of the Private Calendar in a day session on Wednesday or Thursday or Friday or Saturday?

Mr. BYRNS. I will say that the reason I proposed tonight or tomorrow night is the fact that many Members have House bills on the calendar and would like to have them disposed of and have plenty of time to get them through the Senate. If the gentleman from Texas objects to tomorrow night, I will renew my request for Wednesday night.

Mr. BLANTON. I do not propose to interpose an objection to the gentleman's request, if our leader insists on it, for I shall be here tomorrow night and every night.

Mr. BYRNS. We have had now 3 days' rest.

Mr. BLANTON. Rest? With 16 hours a day at work each day in our offices.

Mr. BYRNS. I mean rest from legislative duties. None of us have rested from other labors.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee that the House tomorrow take a recess until 7:30 o'clock tomorrow night, and at the evening session only bills on the Private Calendar unobjected to shall be considered, beginning at the start.

There was no objection.

RELIEF OF ALFRED HOHENLOHE AND OTHERS BY REMOVING CLOUD ON TITLE

Mr. PALMISANO. Mr. Speaker, I call up the bill (H.R. 6099) for the relief of Alfred Hohenlohe, Alexander Hohen-

lohe, Conrad Hohenlohe, and Viktor Hohenlohe by removing cloud on title.

Mr. BLANTON. Will the gentleman yield?

Mr. PALMISANO. I yield.

Mr. BLANTON. In order to have an understanding that we can all work together, it is understood, is it not, that what is known as the "District of Columbia old-age pension bill" will not be called up today?

Mr. PALMISANO. I do not intend to call up the House bill on old-age pensions. I might say that we have a considerable number of important bills here which it is very important should be passed today.

Mr. BLANTON. I am sure of that; but in order to expedite the passage of noncontroversial bills having to do with the District of Columbia, the old-age pension bill for the District of Columbia will not be called up today?

Mr. PALMISANO. No; it will not be called up today.

Mr. TREADWAY. Will the gentleman yield?

Mr. PALMISANO. Yes.

Mr. TREADWAY. Will the automobile responsibility bill be called up today? Does the gentleman expect to call that bill up today?

Mr. PALMISANO. Is that the code bill?

Mr. TREADWAY. It is the bill with regard to responsibility of automobile drivers in the District; the same bill as many States have in operation. I do not know the number of it. It is the A.A.A. bill.

Mr. PALMISANO. There is a code bill, if the gentleman has reference to that. The only insurance bill I intend to call up—there is one with reference to industrial life insurance with reference to contracts.

Mr. TREADWAY. No; that is not the bill.

Mr. PALMISANO. The last bill I intend to call up will be the taxicab liability bill. That will be the last one.

Mr. TREADWAY. I think there are two of those automobile bills.

Mr. PALMISANO. I do not intend to take up the other.

Mr. TREADWAY. What is the title of the other?

Mr. PALMISANO. Does the gentleman mean the auto liability bill?

Mr. TREADWAY. Yes.

Mr. PALMISANO. I do not intend to take that up.

Mr. TREADWAY. The gentleman does not intend to call up that bill?

Mr. PALMISANO. No; but the taxicab liability I expect to bring up.

Mr. TREADWAY. The taxicab automobile liability insurance bill will be taken up?

Mr. PALMISANO. Yes. That will be the next to the last bill which I have on the list. There are about 20 bills all told.

Mr. TREADWAY. Does the gentleman expect to reach that bill?

Mr. PALMISANO. Yes; I expect to reach it.

Mr. Speaker, I ask unanimous consent to consider the bill in the House as in the Committee of the Whole.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to convey by appropriate quitclaim deed to Alfred Hohenlohe for life, with remainder to Alexander, Konrad, and Viktor Hohenlohe, their heirs and assigns, all the right, title, and interest of the United States in and to lots 68 and 69 in Abner B. Kelly trustee's subdivision of part of square 628, as per plat recorded in liber W.B.M., folio 273, of the records of the office of the surveyor of the District of Columbia. The true intent of this act is to relinquish and abandon, grant, give, and concede any and all right, interest, and estate, in law or equity, which the United States is or is supposed to be entitled to in part of said land by escheat because of the death of Catharine B. Hohenlohe, an Austrian citizen, unto her husband, Alfred Hohenlohe, and her minor children, Alexander Hohenlohe, Konrad Hohenlohe, and Viktor Hohenlohe, all Austrian citizens: *Provided, however,* That said Alfred Hohenlohe, Alexander Hohenlohe, Konrad Hohenlohe, and Viktor Hohenlohe, as such aliens, shall sell or otherwise dispose of said interest within 10 years, as provided by the United States Code, title 8, section 73, or such further period as shall be secured to them by any treaty between the United States and the Republic of Austria, or be subject to the same liabilities of escheat proceedings on behalf of the United States as are provided by title

8 of the United States Code or as shall hereafter be provided by law, said period of 10 years to commence to run from the date on which said quitclaim deed shall have been executed by the Secretary of the Interior pursuant hereto.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MISREPRESENTATION IN THE DISTRIBUTION OF MILK IN THE DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I call up the bill (H.R. 6130) to prevent misrepresentation and deception in the sale of milk and cream in the District of Columbia.

The Clerk read as follows:

Be it enacted, etc., That section 14 of the act entitled "An act to establish standard weights and measures for the District of Columbia; to define the duties of the Superintendent of Weights, Measures, and Markets of the District of Columbia; and for other purposes", approved March 3, 1921, is hereby amended to read as follows:

"SEC. 14. (a) That bottles or other measures or containers used for the sale of milk or cream shall be of the capacity of 1 gallon, a multiple of 1 gallon, one-half gallon, 3 pints, 1 quart, 1 pint, 1 gill, or one-half gill, when filled to the bottom of the cap seat, stopple, or other designating mark. Such bottles or other measures or containers shall have clearly blown or otherwise permanently marked in the side of each such bottle or other measure or container or printed on the cap or stopple thereof, in plain bold-face gothic type, not smaller than 10 point, the name and address of the person who or the firm or corporation which shall have bottled said milk or cream. The name of no other person, firm, or corporation shall be blown or otherwise marked on such bottle or other measure or container or printed on the cap or stopple thereof. No person, firm, or corporation, for the purpose of bottling, selling, offering for sale, or delivering milk or cream, shall use caps or stopples, bottles, or other measures or containers which do not comply with the provisions of this section.

"(b) No person, firm, or corporation, in connection with the sale or delivery of milk or cream in any of the bottles or other measures or containers provided for in this section shall use any vehicle unless, on both sides of said vehicle there shall be conspicuously displayed the name and address of the person who or the firm or corporation which shall have bottled said milk or cream, and the name of no other person, firm, or corporation shall appear on any portion of any such vehicle: *Provided, however,* That the name of the manufacturer of such vehicle, other than a person who or a firm or corporation which may be engaged in the business of bottling or selling milk or cream, may appear on same: *And provided further,* That a person who or a firm or corporation which is engaged in the sale of foods in general may place the name of such person, firm, or corporation on such vehicle as may be actually employed by such person, firm, or corporation in the delivery of foods in general.

"(c) No person, firm, or corporation, in the conduct of his or its business, shall designate said business by the term 'dairy' or represent himself or itself as engaged in the dairy business unless engaged in the business of producing or bottling milk or cream."

With the following committee amendments:

Page 1, line 9, after the figures "14", insert "(a)."

On page 2, line 17, before the word "No", insert "(b)"; on line 19, after the word "in", strike out the word "this"; on line 20, after the figures "14", insert "(a)."

On page 3, beginning in line 4, after the word "further", strike out the remainder of the paragraph and insert: "That the requirements of this subsection shall not apply to a person who, or a corporation which, is engaged chiefly in the sale of foods or merchandise in general, and who is not engaged in the business of bottling milk or cream"; on line 14, page 3, before the word "No", insert "(c)."

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROMOTIONS IN THE NAVY

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 9068) to provide for promotion by selection in the line of the Navy in the grades of lieutenant commander and lieutenant, to authorize appointment as ensigns in the line of the Navy all midshipmen who hereafter graduate from the Naval Academy, and for other purposes, with Senate amendments, disagree to the Senate amendments, and agree to the conference asked.

The SPEAKER. Is there objection to the request of the gentleman from Georgia? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. VINSON of Georgia, DREWRY, and BRITTEN.

FIRE ESCAPES ON BUILDINGS IN THE DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I call up the bill (H.R. 7209) to amend an act entitled "An act to require the erection of fire escapes in certain buildings in the District of Columbia, and for other purposes", approved March 19, 1906 (34 Stat. 70), as amended by the act of March 2, 1907 (34 Stat. 1247).

The Clerk read as follows:

Be it enacted, etc., That sections 1, 3, 4, 8, 9, 10, 11, 12, and 13 of an act entitled "An act to require the erection of fire escapes in certain buildings in the District of Columbia, and for other purposes", approved March 19, 1906, as amended by the act of March 2, 1907, are hereby amended as follows:

Amend section 1 so as to read:

"SECTION 1. That it shall be the duty of the owner entitled to the beneficial use, rental, or control of any building three or more stories in height, or over 30 feet in height, constructed or used or intended to be used as an apartment house, tenement house, flat, rooming house, lodging house, hotel, hospital, seminary, academy, school, college, institute, dormitory, asylum, sanitarium, hall, place of amusement, office building, or store, or of any building three or more stories in height, or over 30 feet in height, other than a private dwelling, and in which sleeping quarters for the accommodation of 10 or more persons are provided above the first floor, not hereinafter exempted from the provisions of section 1 of this act, to provide and cause to be erected and fixed to every such building, connecting with each floor above the first floor by easily accessible and unobstructed openings, one or more suitable fire escapes, in such location and numbers and of such material, type, and construction as the Commissioners of the District of Columbia may determine: *Provided,* That buildings designed and built as single-family dwellings, and converted to use as apartment houses, in which not more than three families reside, including the owner or lessee, or rooming houses in which sleeping accommodations are provided for less than 10 persons not including the family of the owner or lessee, not more than three stories, nor more than 40 feet in height, and having a total floor area not more than 3,000 square feet above the first floor, shall be exempted from the provisions of sections 1 and 3 of this act: *And provided further,* That buildings used solely as apartment houses, not more than three stories, nor more than 40 feet in height, so arranged that not more than five apartments per floor open directly, without an intervening hall or corridor, on a fire-resistive stairway, three feet or more in width, enclosed with masonry walls in which fire-resistive doors are provided at all openings, shall be excluded from the provisions of this section.

"That when used in this act—

"(a) An apartment house shall mean a building in which rooms in suites are provided for occupancy by three or more families.

"(b) A tenement house shall mean the same as an apartment house.

"(c) A flat shall mean the same as an apartment house.

"(d) A rooming house shall mean a building in which rooms are rented and sleeping quarters provided to accommodate 10 or more persons, not including the family of the owner or lessee.

"(e) A lodging house shall mean a building in which sleeping quarters are provided to accommodate 10 or more transients.

"(f) A hotel shall mean a building in which meals are served and rooms are provided for the accommodation of 10 or more transients.

"(g) An elevator shaft shall be construed to include a dumb-waiter shaft.

"(h) A fire escape shall mean an exterior open stairway or arrangement of ladders constructed entirely of incombustible materials and of approved design, or an interior or exterior stairway of fire-resistive construction with enclosing walls of masonry with fire-resistive doors and windows.

"(i) A standpipe shall mean a vertical iron or steel pipe provided with hose connections and valves, so arranged to supply water for fire-fighting purposes.

"(j) Fireproof shall mean the same as fire resistive as defined in the Building Code of the District of Columbia.

"(k) Fire resistive shall mean the same as fireproof."

Amend section 3 so as to read:

"SEC. 3. That it shall be the duty of the owner entitled to the beneficial use, rental, or control of any building used or intended to be used as set forth in section 1 of this act where fire escapes are required, or any building in which 10 or more persons are employed, as set forth in section 2 of this act where fire escapes are required; also to provide, install, and maintain therein proper and sufficient guide signs, guide lights, exit lights, hall and stairway lights, standpipes, fire extinguishers, and alarm gongs and striking stations in such location and numbers and of such type and character as the Commissioners of the District of Columbia may determine: *Provided,* That in buildings less than six stories in height standpipes will not be required when fire extinguishers are installed in such numbers and of such type and character as the Commissioners of the District of Columbia may determine."

Amend section 4 so as to read:

"SEC. 4. That the Commissioners of the District of Columbia are hereby authorized and directed to issue such orders, adopt and enforce such regulations not inconsistent with law as may be necessary to accomplish the purposes and carry into effect the provisions of this act, and to require any alterations or changes

that may become necessary in buildings now or hereafter erected, in order to properly locate or relocate fire escapes or to afford access to fire escapes and to require any changes or alterations in any buildings that may be necessary in order to provide for the erection of additional fire escapes, or for the installation of other appliances required by this act, when in the judgment of said Commissioners such additional fire escapes or appliances are necessary."

Section 8 is hereby repealed.

Section 9 is hereby renumbered as section 8; the words "fire hose" are omitted and the word "standpipe" is substituted therefor in the first sentence. The words "or regulations promulgated hereunder" are hereby inserted after the word "act" in the second sentence.

Section 10 is hereby renumbered as section 9.

Section 11 is hereby renumbered as section 10, and the period at the end of the first sentence is changed to a comma and the words "or if delivered to the agent, trustee, executor, or other legal representative of the estate of such person" are inserted.

Section 12 is hereby renumbered as section 11.

Section 13 is hereby renumbered as section 12.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BOARD OF INDETERMINATE SENTENCE AND PAROLE, DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I call up the bill (H.R. 8987) to amend an act entitled "An act to establish a Board of Indeterminate Sentence and Parole for the District of Columbia and to determine its functions, and for other purposes", approved July 15, 1932, and I ask unanimous consent that the same be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That the act of Congress entitled "An act to establish a Board of Indeterminate Sentence and Parole for the District of Columbia and to determine its functions, and for other purposes", approved July 15, 1932, be, and the same hereby is, amended by adding a new section to be numbered 10 and to read as follows:

"SEC. 10. The Board of Parole created by the act of Congress entitled 'An act to amend an act providing for the parole of United States prisoners, approved June 25, 1910, as amended', approved May 13, 1930, shall have and exercise the same power and authority over prisoners convicted in the District of Columbia of crimes against the United States and now or hereafter confined in any United States penitentiary or prison (other than the penal institutions of the District of Columbia) as is vested in the Board of Indeterminate Sentence and Parole over prisoners confined in the penal institutions of the District of Columbia."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DISTRICT OF COLUMBIA ALCOHOLIC BEVERAGE CONTROL ACT

Mr. PALMISANO. Mr. Speaker, I call up the bill (H.R. 9007) to amend section 11 of the District of Columbia Alcoholic Beverage Control Act, and I ask unanimous consent that the same be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

Mr. O'CONNOR. Reserving the right to object, just what does this bill do? This is not the bill which we amended and sent over to the other body, and which is still over there, which prohibits drug stores from selling outside of prescriptions, is it?

Mr. PALMISANO. Oh, no. This bill simply changes the license law for a common carrier by water, giving them the same license as a common carrier by rail.

Mr. O'CONNOR. It affects hotels, I see.

Mr. PALMISANO. No. It simply amends the law to give steamboat companies which navigate within 100 miles the same right as a railroad, as far as licenses are concerned.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That section 11, paragraph (g), be amended to read as follows:

"(g) Retailer's license, class C: Such a license shall be issued only for a bona fide restaurant, hotel, or club, or a passenger-carrying marine vessel serving meals, or a club car or a dining car on a railroad. It shall authorize the holder thereof to keep for sale and to sell spirits, wine, and beer at the place therein de-

scribed for consumption only in said place. Except in the case of clubs, hotels, and passenger-carrying marine vessels serving meals in interstate commerce of 100 miles or more, no beverage shall be sold or served to a customer in any closed container. In the case of restaurants and passenger-carrying marine vessels and club cars or dining cars on a railroad, said spirits and wine, except light wines, shall be sold or served only to persons seated at public tables, and beer and light wines shall be sold and served only to persons seated at public tables or at bona fide lunch counters, except that spirits, wine, and beer may be sold or served to assemblages of more than six individuals in a private room when such room has been previously approved by the Board. In the case of hotels, said beverages may be sold and served only in the private room of a registered guest or to persons seated at public tables or to assemblages of more than six individuals in a private room, when such room has been previously approved by the Board. Beer and light wines may also be sold and served to persons seated in bona fide lunch counters. And in the case of clubs, said beverages may be sold and served in the private room of a member or guest of a member or to persons seated at tables. No license shall be issued to a club which has not been established for at least 3 months immediately prior to the making of the application for such license.

"The fee for such a license shall be for a restaurant, \$500 per annum; for a hotel, under 100 rooms, \$500 per annum; for a hotel of 100 or more rooms, \$1,000 per annum; for a club, \$250 per annum; for a marine vessel serving meals in interstate commerce of 100 miles or more and for each railroad dining car or club car, \$2 per month or \$20 per annum; for all other passenger-carrying marine vessels serving meals, \$50 per month or \$500 per annum."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EDUCATIONAL OPPORTUNITIES FOR CHILDREN OF SOLDIERS, SAILORS, AND MARINES KILLED IN ACTION

Mr. PALMISANO. Mr. Speaker, I call up the bill (H.R. 9143) providing educational opportunities for the children of soldiers, sailors, and marines who were killed in action or died during the World War, and I ask unanimous consent that the same be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, from funds to the credit of the District of Columbia in the Treasury of the United States not otherwise appropriated, the sum of \$3,600, annually, for the fiscal years 1935 to 1943, inclusive, for aid in the education of children (between the ages of 16 and 21 years, inclusive, who have had their domicile in the District of Columbia for at least 5 years) of those who lost their lives during the World War as a result of service in the military or naval forces of the United States, including tuition, fees, maintenance, and the purchase of books and supplies: *Provided*, That not more than \$200 shall be available for any one child: *Provided further*, That appropriations made in accordance with this act shall be expended only for such children while attending educational institutions of a secondary or college grade under rules and regulations prescribed by the Board of Education.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COLUMBUS UNIVERSITY

Mr. PALMISANO. Mr. Speaker, I call up the bill (H.R. 9180) relating to the incorporation of Columbus University, of Washington, D.C., organized under and by virtue of a certificate of incorporation pursuant to the incorporation laws of the District of Columbia as provided in subchapter 1 of chapter 18 of the Code of Laws of the District of Columbia.

The Clerk read the bill, as follows:

Be it enacted, etc., That the incorporation of the Columbus University of Washington, District of Columbia, under chapter 18 of the Code of Laws of the District of Columbia, be, and the same is hereby, approved and confirmed, except as herein specifically altered.

SEC. 2. The number of trustees for the management of said corporation shall be not more than 14 and not less than 12 and at least two of whom shall be members of each existing council of the Knights of Columbus, each of whom shall be a member of the District of Columbia branch of the fraternal organization known and designated as the "Knights of Columbus"; that J. Fred Brady, John E. Burns, W. Francis Delaney, John P. Dunn, William G. Feely, G. E. Herring, George F. Howell, Harold Francis Jones, William E. Leahy, James P. McKeon, Walter I. Plant, T. J. Quirck, and M. J. Willcoxon shall constitute the original board of trustees under this act; that the board of trustees shall elect, from among themselves, 1 member to be president, 1 member to be vice

president, 1 member to be treasurer, and 1 member to be secretary of said corporation; that the board of trustees shall elect, from among themselves, 1 member to be chairman, 1 member to be vice chairman, and 1 member to be secretary of the board of trustees; that at the first meeting of the board subsequent to the passage of this act the trustees shall be divided into three classes, the members of the first class to serve for a period of 3 years, the members of the second class to serve for a period of 4 years, and the members of the third class, which class shall include the president, vice president, treasurer, and secretary of the corporation, to serve for a period of 5 years; that the said trustee shall serve for the periods mentioned and/or until their successors are designated, the power of designation being in the board of trustees; that the number of professorships which may be established by said corporation shall be left to the discretion of the board of trustees who shall have the power to establish ordinances and by-laws for the conduct of the business of the corporation, or to alter, repeal, and amend the same, and also power to frame laws and regulations to govern the faculty and students in all departments thereof and to designate such professors and lecturers as they shall deem necessary and with such salaries and duties as the said board of trustees shall deem proper: *Provided, however*, That no member of the board of trustees, except the president, shall serve in a teaching capacity in the university.

SEC. 3. The said corporation shall adopt a common seal, under and by which all deeds, diplomas, and acts of the said university or corporation shall pass and be authenticated, and the same seal at their pleasure to break and alter, or to devise a new one.

SEC. 4. Persons of every religious denomination shall be eligible to membership on the faculty and that no person shall be refused admittance to the university as a pupil, or denied any of the privileges, immunities, or advantages thereof, for or on account of his or her sentiments in matters of religion.

SEC. 5. The funds, moneys, and properties of the corporation shall be held in the name of Columbus University and that the funds or the income of the corporation, or any part thereof, shall be used for no purpose or object other than to promote and advance the best interests of Columbus University.

SEC. 6. No institution of learning hereafter incorporated in the District of Columbia shall use in or as its title, in whole or in part, the words "Columbus University."

SEC. 7. Nothing in this act contained shall be so construed as to prevent Congress from altering, amending, or repealing the same.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TENLEY SCHOOL

Mr. PALMISANO. Mr. Speaker, I call up the bill (H.R. 9184) to authorize the Commissioners of the District of Columbia to sell the old Tenley School to the duly authorized representative of St. Ann's Church of the District of Columbia, and ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Commissioners of the District of Columbia be, and they are hereby, authorized to sell and convey to the duly constituted representative and agent of St. Ann's Roman Catholic Church, of the District of Columbia, located at or near the corner of Wisconsin Avenue and Yuma Street N.W., the following described real estate: The old Tenley School Building, and original site, known as parcels 35/130 and 131, parcel 130 containing 2,880 square feet, and parcel 131 containing 42,036 square feet, or a total of 44,916 square feet, being the same land and premises now leased to the pastor of St. Ann's Church by a certain lease signed by the Commissioners of the District of Columbia, dated October 16, 1933, and now included in parcel 35/260.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THE AMERICAN LEGION

Mr. PALMISANO. Mr. Speaker, I call up the bill (H.R. 9400) to exempt from taxation certain property of the American Legion in the District of Columbia, and ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the property situated in square 185 in the city of Washington, D.C., described as lots 32 and 33, owned, occupied, and used by the American Legion, is hereby exempt

from all taxation so long as the same is so owned, occupied, and used, subject to the provisions of section 8 of the act of March 3, 1877, as amended and supplemented (D.C. Code, title 20, sec. 712), providing for exemptions of church and school property.

With the following committee amendment:

Page 1, line 7, strike out the word "owned" and insert in lieu thereof the words "owned and"; and in the same line, after the second word "and", insert the word "not", and after the word "used" insert "for commercial purposes."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DISTRICT ALCOHOLIC BEVERAGE CONTROL ACT

Mr. PALMISANO. Mr. Speaker, I call up the bill (H.R. 9622) to amend subsection (a) of section 23 of the District Alcoholic Beverage Control Act and ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

Mr. O'CONNOR. Mr. Speaker, reserving the right to object, will the gentleman please explain this bill?

Mr. PALMISANO. This bill merely exempts from the payment of the 50 cents per gallon tax liquor which may be exported from the District.

The Clerk read the bill, as follows:

Be it enacted, etc., That subsection (a) of section 23 of the District of Columbia Alcoholic Beverage Control Act is amended so as to read as follows:

"SEC. 23. (a) There shall be levied, collected, and paid on all of the following-named beverages manufactured by a holder of a manufacturer's license and on all of the said beverages imported or brought into the District of Columbia by a holder of a wholesaler's license, except beverages as may be sold to a dealer licensed under the laws of any State or Territory of the United States and not licensed under this act, and on all beverages imported or brought into the District of Columbia by a holder of a retailer's license, a tax at the following rates to be paid by the licensee in the manner hereinafter provided: "

SEC. 2. That subsection (e) of section 23 be amended by inserting the word "taxable" after the word "upon" in the beginning of the first sentence and by inserting the word "taxable" after the word "upon" in the beginning of the second sentence.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LIFE INSURANCE IN THE DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I call up the bill (S. 195) respecting contracts of industrial life insurance in the District of Columbia.

The Clerk read the bill, as follows:

Be it enacted, etc., That policies of industrial weekly payment life insurance hereafter issued or delivered in the District of Columbia shall be subject to the following conditions, in addition to any other prescribed by law and not inconsistent with the provisions of this act.

GOOD FAITH

SEC. 2. If payment of such a policy shall be refused because of unsound health at or prior to the date of the policy, the good faith of both applicant and insured shall constitute a material element in determining the validity of the policy; and it shall not be held invalid because of unsound health unless the insurer shall prove that, at or before the date of issue of the policy, the insured or applicant had knowledge of, or reason to know, the facts on which the defense is based, or shall prove that the insurance was procured by the insured or applicant in bad faith or with intent to defraud the company, any provision, agreement, condition, warranty, or clause contained in said policy, or endorsed thereon, or added or attached thereto, to the contrary notwithstanding. Proof by the insurer of fraud, intent to deceive, unsound health, bad faith, breach or warranty or condition precedent, or other matter of defense, shall be subject to the provisions of section 657 of the act entitled "An act to establish a Code of Law for the District of Columbia", approved March 3, 1901, as amended (D.C. Code, title 5, sec. 183).

INCONTESTABILITY

SEC. 3. Every such policy shall be incontestable upon any ground relating to health after 2 years from its date of issue (notwithstanding a longer period may be named therein), provided the insured shall be alive at the end of said period. If the policy by its terms shall be incontestable after a shorter period than herein provided, the terms of the policy with regard to such period of limitation shall govern.

ASSIGNMENT

Sec. 4. Nothing contained in the terms of any such policy shall operate to prevent its valid assignment by the insured; but the company issuing the policy so assigned shall be discharged of all liability thereon by payment of its proceeds in accordance with its terms, unless before such payment the company shall have written notice of such assignment.

BENEFICIARY

Sec. 5. Any individual designated with the consent of the insurer, evidenced by the signature of its president or secretary, or designated upon a form furnished by and filed with the insurer, as beneficiary of such a policy shall be entitled to the proceeds of such policy after the death of the insured in priority to all other claimants, and may sue in his own name for such proceeds if payment is refused by the insurer: *Provided*, That upon the expiration of 15 days after the death of the insured, unless proof of claim in the manner and form required by the policy, accompanied by the policy for surrender, has theretofore been made by or on behalf of such designated beneficiary, the insurer may pay to any other claimant permitted by the policy. A person specified as one to whom the insured desires payment made, but not formally designated as beneficiary, shall be deemed a beneficiary for the purposes of this section, provided such designation be made in writing and filed with the company during the lifetime of the insured.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

ALLEY DWELLINGS

Mr. PALMISANO. Mr. Speaker, I call up the bill (S. 1780) to provide for the discontinuance of the use as dwellings of buildings situated in alleys in the District of Columbia, and for the replatting and development of squares containing inhabited alleys, in the interest of public health, comfort, morals, safety, and welfare, and for other purposes, and ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That to enable the President, in the interest of public health, comfort, morals, safety, and welfare, to provide for the discontinuance of the use as dwellings of buildings situated in alleys and to eliminate the hidden communities in inhabited alleys of the District of Columbia, and to carry out the policy declared in the act approved May 16, 1918, as amended, of caring for the alley population of the District of Columbia, the President is hereby authorized and empowered, within the limits of the amounts herein authorized—

(a) To purchase, or acquire by condemnation or gift, any land, buildings, or structures, or any interest therein, situated in or adjacent to any inhabited alley in the District of Columbia, and such other land, buildings, or structures, or any interest therein, within any square containing an inhabited alley as he may determine to be necessary for the replatting and improvement of said square pursuant to the provisions of this act;

(b) To replat any land acquired under this act; to pave or repave any street or alley thereon; to construct sewers and water mains therein; to install street lights thereon; to demolish, move, or alter any buildings or structures situated thereon and erect such buildings or structures thereon as deemed advisable: *Provided, however*, That the same shall be done and performed in accordance with the laws and municipal regulations of the District of Columbia applicable thereto;

(c) To lease, rent, maintain, equip, manage, exchange, sell, or convey any such lands, buildings, or structures upon such terms and conditions as he may determine: *Provided*, That if any such land as required for the purposes of the government of the District of Columbia such land may be transferred to the said government upon payment to the authority of the reasonable value thereof; and

(d) To aid in providing, equipping, managing, and maintaining houses and other buildings, improvements, and general community utilities on the property acquired under the provisions of this act, by loans, upon such terms and conditions as he may determine, to limited dividend corporations whose dividends do not exceed 6 percent per annum, or to home owners to enable such corporations or home owners to acquire and develop sites on the property: *Provided, however*, That no loan shall be made at a lower rate of interest than 5 percent per annum, and that all such loans shall be secured by reserving a first lien on the property involved for the benefit of the United States.

Sec. 2. (a) The President may designate, for the purpose of carrying out the provisions of this act, such official or agency of the Government of the United States or of the District of Columbia (hereinafter referred to as "the authority") as in his judgment is deemed necessary or advantageous, and the authority shall have or obtain all powers necessary or appropriate therefor, including the employment of necessary personal services; but (1) all plans for replatting and/or method of condemnation under the

provisions of this act shall be submitted to and receive the written approval of the National Capital Park and Planning Commission and of the Board of Commissioners of the District of Columbia: *Provided, however*, That (a) failure of the National Capital Park and Planning Commission or of the Board of Commissioners of the District of Columbia to formally approve or disapprove in writing within 60 days after a plan has been submitted shall be equivalent to a formal approval, and (b) disapproval shall be accompanied by a written statement giving all the reasons for disapproval; and (2) any plan which shall involve action by any department, bureau, or agency of the United States or of the District of Columbia shall be made after consultation with such department, bureau, or agency.

(b) In the event condemnation proceedings are required to carry out the provisions of this act the same shall be conducted in accordance with the provisions of the act entitled "An act to provide for the acquisition of land in the District of Columbia for the use of the United States", approved March 1, 1929.

(c) If the authority determines in the case of any alley that it will be more advantageous to proceed in accordance with sections 1608 to 1610, inclusive, of the Code of Laws of the District of Columbia, the Commissioners of the District of Columbia shall be notified of such determination and proceedings shall then be had as provided in such sections for alleys and minor streets, except that if the total amount of damages awarded by the jury and the cost and expenses of the proceedings be in excess of the total amount of the assessment for benefits, such excess shall be borne and paid by the authority.

Sec. 3. (a) For the purpose of inaugurating the program contemplated by this act there is hereby made immediately available to the authority \$500,000 of the unexpended balance of the corporate funds of the United States Housing Corporation, which sum together with all other sums received shall constitute a revolving fund to be known as the "Conversion of inhabited alleys fund" (hereinafter referred to as the "fund"). At the close of each fiscal year there shall be deducted from the fund and covered into the Treasury of the United States as miscellaneous receipts an amount equal to the interest at the rate of 4 percent per annum upon such net amounts as may be utilized for the purpose of the act during each fiscal year.

(b) All receipts from sales, leases, or other sources shall be deposited in the fund and shall be immediately available for the purposes of this act: *Provided, however*, That no interest shall be chargeable upon amounts on deposit in the said fund during any period that the same shall not be utilized for the purposes of this act.

(c) For the purposes of this act the authority is hereby authorized and empowered to borrow money from the Reconstruction Finance Corporation, or from other Government agencies empowered to provide funds for such purposes, secured by the property and assets acquired under the provisions of this act.

Sec. 4. (a) The objects set forth in section 1 of this act shall be accomplished as rapidly as feasible and to this end the Authority shall, in its report for the fiscal year ending June 30, 1934, set forth what it purposes to do during the next succeeding fiscal year. In each succeeding annual report it shall set forth its proposals for the next year.

(b) On and after July 1, 1944, it shall be unlawful to use or occupy any alley building or structure as a dwelling in the District of Columbia.

(c) No alley dwelling shall hereafter be constructed in the District of Columbia, nor shall any building or structure be moved, altered, or converted for use as an alley dwelling.

(d) Any person violating any of the provisions of this section shall, upon conviction thereof, be punished by a fine of not more than \$500 or by imprisonment for not more than 6 months, or both. Each week of 7 days of the continuance of any such violation shall constitute a separate offense.

Sec. 5. (a) The Authority shall make a report to the President, which he shall transmit to Congress at the beginning of each regular session, giving a full and detailed account of all operations under the provisions of this act for the preceding fiscal year.

(b) Upon completion of the work contemplated by this act the President shall submit a complete report to Congress giving a full and detailed account of all operations for the entire period of operation. If such work is not completed by July 1, 1944, the President shall, on July 1, 1944, or at the opening of the next regular session of Congress after such date, make a report to Congress covering the operations under this act for the entire period to July 1, 1944, including a statement of what further work remains to be done, and recommendation for further legislation if in his opinion such legislation is necessary.

(c) It is hereby declared to be the purpose and intent of Congress that the objects set forth in section 1 of this act shall be accomplished, if possible, on or before July 1, 1944, except that loans made under this act may run for periods extending beyond such time.

Sec. 6. There shall be published three times each year during the month of January in a newspaper of general circulation published in the District of Columbia a notice to owners and tenants of alley dwellings and of other property in squares containing inhabited alleys, that alley dwellings in such squares may be demolished, removed, or vacated, and that the squares may be replatted on or before July 1, 1944.

Sec. 7. As used in this act—

(a) The term "alley" means (1) any court, thoroughfare, or passage, private or public, less than 30 feet wide at any point; and (2) any court, thoroughfare, or passage, private or public, 30 feet

or more in width, that does not open directly with a width of at least 30 feet upon a public street that is at least 40 feet wide from building line to building line.

(b) The term "inhabited alley" means an alley in or appurtenant to which there are one or more alley dwellings.

(c) The term "alley dwelling" means any dwelling fronting upon or having its principal means of ingress from an alley. This definition does not include an accessory building, such as a garage, with living rooms for servants or other employees; if the principal entrance to the living rooms of the accessory building is from the street property to which it is accessory.

(d) The term "dwelling" means any building or structure used or designed to be used in whole or in part as a living or a sleeping place by one or more human beings.

(e) The term "person" includes any individual, partnership, corporation, or association.

Sec. 8. If any provision of this act or the application thereof to any person or circumstance is held invalid, the validity of the remainder of the act and the application thereof to other persons and circumstances shall not be affected thereby.

Sec. 9. All acts and parts of acts contrary to the provisions of this act or inconsistent therewith be, and the same are hereby, repealed.

Sec. 10. This act may be cited as the "District of Columbia Alley Dwelling Act."

With the following committee amendment:

Page 5, strike out "Sec. 3. (a)" and insert in lieu thereof the following:

"Sec. 3. (a) The President is hereby authorized, in his discretion, to make immediately available to the authority for its lawful uses and as needed, from the allocation made from the appropriation to carry out the purposes of the National Industrial Recovery Act, contained in the Fourth Deficiency Act, fiscal year 1933, now carried under the title 'National Industrial Recovery, Federal Emergency Administration of Public Works, Housing, 1933-35', symbol 03/5666, not to exceed \$500,000 of any amount thereof dedicated for low-cost housing and slum-clearance projects in the District of Columbia, to be set aside in the Treasury and be known as 'Conversion of inhabited alleys fund' (hereinafter referred to as the 'fund')."

"(b) The authority is hereby authorized and empowered to borrow such moneys from individuals or private corporations as may be secured by the property and assets acquired under the provisions of this act, and such moneys, together with all receipts from sales, leases, or other sources, shall be deposited in the fund and shall be available for the purposes of this act.

"(c) The fund shall remain available until June 30, 1935, and thereafter shall be available annually in such amount as may be specified in the annual appropriation acts.

"(d) The total amount paid for property or properties acquired in any square shall not exceed 30 percent over and above the present assessed value of all the property or properties acquired in any square to carry out the provisions of this act."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Mr. PALMISANO. Mr. Speaker, I call up the bill (S. 2508) authorizing the Secretary of the Interior, with the approval of the National Capital Park and Planning Commission and the Attorney General of the United States, to make equitable adjustments of conflicting claims between the United States and other claimants of lands along the shores of the Potomac River, Anacostia River, and Rock Creek in the District of Columbia, and ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

Mr. BLANTON. Mr. Speaker, reserving the right to object, I wish to ask some questions.

This is another bill which grants additional power and authority to the National Park and Planning Commission. We are continually giving it authority and losing control over matters of this kind. I doubt the wisdom of this action.

It is well known that it has required urgent riders on appropriation bills to keep the authorities from tearing down three of the best buildings in Washington—the Municipal Building, the Southern Railway Building, and the old Post Office Department Building. There is no better-built office building in Washington today than the Southern Railway Building. Where will you find a more picturesque, splendid building anywhere in the country than the old Post Office Department? The Municipal Building is a valuable structure. Every year American citizens spend their money to

go abroad to see old buildings, buildings over 100 years old, yet just as soon as we get a building with a little age on it, we have to tear it down.

I challenge any Member of the House to show any reason in the world why these three buildings should be torn down. If we do not watch matters closely, we are liable to find sometime, when the Members get away from Washington after an adjournment and we cannot stop these things, some way will be found to tear down these three buildings. It is outrageous; it is unthinkable.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. I yield.

Mr. MAY. Does the bill which has just been called up authorize the National Park and Planning Commission, with the consent of the Attorney General, to do almost anything it wants to do about these buildings?

Mr. BLANTON. Oh, no. I was just calling attention to the action of Congress in delegating authority that ought to be retained by Congress.

Mr. MAY. The gentleman is discussing the principle involved.

Mr. BLANTON. Yes; and there is a principle involved. Here is a bill which gives the National Capital Park and Planning Commission authority to do something that only Congress has the right to do.

I doubt whether it is a wise proposition for us to pass bills of this kind.

Mr. MAY. This is just another delegation of the powers of the Congress to individuals.

Mr. BLANTON. I have an understanding with the gentleman from Maryland regarding some legislation he will not call up today, and I keep my agreements. Otherwise I would oppose this bill. I have done my duty by calling attention to the unwisdom of passing such bills. I wanted us to register our disapproval of the tearing-down of these buildings in such a way that they will not dare do it when Congress adjourns and we are away from here.

Mr. LOZIER. Will the gentleman yield?

Mr. BLANTON. I yield to the gentleman from Missouri.

Mr. LOZIER. Is it not a fact that on three occasions Congress has refused to appropriate funds which would have permitted the demolition of the Post Office Building and some other buildings?

Mr. BLANTON. Yes; and we have had to put an inhibition in appropriation bills to stop it. They ought to understand by this time that Congress is not going to stand for any demolition of these three buildings.

Mr. LOZIER. And in contemptuous indifference to the attitude of Congress, they have built around the Post Office Building in order to create a condition which they think will force ultimately the demolition of that building.

Mr. BLANTON. If any of them dare do it, we ought to make it hot for them and put them out of public office when we come back here.

Mr. TREADWAY. But in the meantime the buildings will be destroyed.

Mr. BLANTON. I do not think they will dare destroy any of these three buildings, because the House and the Senate have expressed their disapproval of that proposition many times; but I think we ought to keep the matter before them, and we ought to let them understand that Congress is not going to stand for it.

Mr. PALMISANO. Of course the gentleman does not mean that this bill should not be passed.

Mr. BLANTON. This bill is an extension of an unwise principle, but I am keeping my agreement with the gentleman from Maryland.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That for the purpose of establishing and making clear the title of the United States in and to any part or parcel of land or water in, under, and adjacent to the Potomac River, the Anacostia River, or Eastern Branch, and Rock Creek, including the shores and submerged or partly submerged land, as well as the banks of said waterways, and also the upland im-

mediately adjacent thereto, including made land, flat lands, and marsh lands, in which persons and corporations and others may have or pretend to have any right, title, claim, or interest adverse to the complete title of the United States as set forth in an act entitled "An act providing for the protection of the interest of the United States in lands and water comprising any part of the Potomac River, the Anacostia River, Eastern Branch, and Rock Creek, and adjacent lands thereto", approved April 27, 1912 (37 Stat. 93), and in order to facilitate the same, by making equitable adjustments of such claims and controversies between the United States of America and such adverse claimants, the Secretary of the Interior is authorized to make and accept, on behalf of the United States, by way of compromise, when deemed to be in the public interest, such conveyances, includes deeds of quitclaim and restrictive and collateral covenants, of the lands in dispute as shall be also approved by the National Capital Park and Planning Commission and the Attorney General of the United States.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HARBOR REGULATIONS OF THE DISTRICT OF COLUMBIA WATER FRONT

Mr. PALMISANO. Mr. Speaker, I call up the bill (S. 2714) to amend section 895 of the Code of Law of the District of Columbia.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Commissioners of the District of Columbia be, and they are hereby, vested with authority to make harbor regulations for the entire water front of the city within the District of Columbia, to alter and amend the same from time to time as they may find necessary, and to fix penalties for the violation of such regulations, which, however, shall not exceed fines of \$500 or imprisonment over 6 months, or both: *Provided*, That whenever these regulations affect navigable waters, channels, and anchorage areas or other interests of the United States, such regulations shall be subject to the approval of the Secretary of War: *And provided further*, That whenever said regulations affect the water front within the District of Columbia under the jurisdiction of the Director of National Parks, Buildings, and Reservations, or affect the interests and rights of the National Capital Park and Planning Commission, such regulations shall be subject to prior approval of the respective agencies.

Mr. PALMISANO. Mr. Speaker, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. PALMISANO: Page 1, line 7, after the word "necessary", strike out the comma and everything down to and including the word "both."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHANGE OF NAME OF STREET—DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I call up the bill (S. 3257) to change the designation of Four-and-a-half Street SW. to Fourth Street.

The Clerk read the bill, as follows:

Be it enacted, etc., That the street designated as "Four-and-a-half Street" running south from the center of the Mall to P Street south be, and the same is hereby, changed to Fourth Street, thereby giving this street for its entire length from Pennsylvania Avenue NW. to P Street south the designation of Fourth Street.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MOUNT OLIVET CEMETERY CO.

Mr. PALMISANO. Mr. Speaker, I call up the bill (S. 1757) to amend an act entitled "An act to incorporate the Mount Olivet Cemetery Co. in the District of Columbia", and ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the bill as follows:

Be it enacted, etc., That the act entitled "An act to incorporate the Mount Olivet Cemetery Co. in the District of Columbia", approved on the 10th day of June 1862 (12 Stat.L. 426) be, and the same hereby is, amended by adding at the end of section 2 of the said act of the 10th day of June 1862 the following:

"The said corporation may use for burial purposes the tracts of land now owned by it and known, respectively, as the 'Hoover tract', designated for purposes of assessment and taxation as parcel 153/23, fronting on Bladensburg Road and the 'Merten's tract', designated for purposes of assessment and taxation as parcel 153/42, fronting on West Virginia Avenue, the said two tracts having an aggregate area of approximately 12.25 acres, and all of the provisions of the aforesaid act of the 10th day of June 1862 shall apply to both of the said tracts with like effect as if the provisions of this act had been included therein at the time of its enactment: *Provided*, That no part of parcel 153/23 lying within 120 feet of Bladensburg Road shall be used for burial purposes; the strip of land hereby exempted from use for burial purposes being the easterly 120 feet by full width of said parcel 153/23 fronting on Bladensburg Road."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ELLEN WILSON MEMORIAL HOMES

Mr. PALMISANO. Mr. Speaker, I call up the bill (S. 3442), to dissolve the Ellen Wilson Memorial Homes and ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the bill as follows:

Be it enacted, etc., That the body corporate and politic created under the act entitled "An act to incorporate the Ellen Wilson Memorial Homes", approved March 3, 1915, be, and the same is hereby, granted the right to dissolve under the supervision of the Supreme Court of the District of Columbia and to have its assets distributed among the persons determined by said court to be entitled thereto, all in the manner prescribed by subchapter 14 of the act entitled "An act to establish a code of law for the District of Columbia", approved March 3, 1901, as amended; and jurisdiction over said corporation for the purposes aforesaid is hereby conferred upon said court as fully and effectually as though said corporation had been created pursuant to the general incorporation provision contained in the last-mentioned act, as amended.

SEC. 2. That Congress reserves the right to repeal, alter, or amend this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL SOCIETY UNITED STATES DAUGHTERS OF 1812

Mr. PALMISANO. Mr. Speaker, I call up the bill (S. 2580) to exempt from taxation certain property of the National Society United States Daughters of 1812 in the District of Columbia and ask unanimous consent that the bill may be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

Mr. PATMAN. Mr. Speaker, reserving the right to object, what is the bill the gentleman is now taking up?

Mr. PALMISANO. Private Calendar 924.

Mr. PATMAN. That was not on the calendar, as I understood it, to be considered today. I reserve the right to object to inquire of the gentleman if he expects to take up the taxicab liability insurance bill later on?

Mr. PALMISANO. I have been requested to hold off the taxicab liability bill until we consider the auto liability bill.

TAXICAB INSURANCE BILL

Mr. PATMAN. Further reserving the right to object, may I have an agreement with the gentleman that he will divide the time of the opposition on this bill with me? I am the only member of the committee who will oppose the bill, and I should like to have an understanding that he will divide the time with me. Since the committee is composed of 21 members and I am the only one opposing the bill and will certainly have a hard fight in view of the custom of other members to follow the committee, I must insist on at least 30 minutes.

Mr. TREADWAY. Mr. Speaker, reserving the right to object, there seems to be considerable confusion as to the two different automobile bills that the gentleman has on his calendar. The one he is now referring to in colloquy with

the gentleman from Texas seems to be Report No. 1604, House Calendar 281.

Mr. PALMISANO. House Calendar No. 281.

Mr. TREADWAY. I understand the gentleman from Texas [Mr. PATMAN] objects to that bill. There is another bill, House Calendar No. 275, favorably reported, called the bill to promote safety on streets and highways, and so forth. Would it be possible to call up that bill instead of the objectionable bill first?

Mr. PALMISANO. As I stated to the gentleman from Texas, I have been requested to withhold calling up the taxicab liability bill and to consider the auto liability bill first.

Mr. PATMAN. Will the gentleman agree to divide the 1 hour's time on the bill?

Mr. PALMISANO. Unless a Member on the opposite side desires recognition, I have no objection.

Mr. PATMAN. The gentleman understands that I am the only one on the committee objecting to this bill.

Mr. PALMISANO. I have no objection.

Mr. PATMAN. The gentleman will divide the time with me?

Mr. PALMISANO. Yes.

Mr. TREADWAY. Will the gentleman call up House Calendar 275? That is the one I am speaking of now.

Mr. PALMISANO. I shall call that up in a moment.

Mr. TREADWAY. And before there is any argument raised about the other measure?

Mr. PALMISANO. Yes.

Mr. TREADWAY. I thank the gentleman very much.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THE BLIND OF THE DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I call up the bill (H.R. 8517) to provide for needy blind persons of the District of Columbia, and ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

PENSIONS FOR THE BLIND

Mr. PATMAN. Mr. Speaker, reserving the right to object, the gentleman has changed his calendar entirely. I had a list of the bills that would be called up and the order in which they would be called up. This bill was supposed to be called up after the taxi liability insurance bill. I think the bill should be considered in the Committee of the Whole House on the state of the Union. This is a very far-reaching bill unless it has been materially amended. We should pass a law for the District of Columbia that would be a good model for the States to adopt. This bill involves a good principle, one that I approve and expect to vote for, but I think the legislation should be more carefully considered, unless it has been amended. I hope the gentleman will withhold the bill for the present, and I will help him pass it after I see the bill and the proposed amendments.

Mr. PALMISANO. Mr. Speaker, in view of the statement of the gentleman from Texas, I withdraw the request for the present.

OPERATION OF MOTOR VEHICLES IN THE DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I call up the bill (H.R. 1646) to promote safety on the streets and highways of the District of Columbia by providing for the financial responsibility of owners and operators of motor vehicles for damages caused by motor vehicles on the public highways in the District of Columbia; to prescribe penalties for the violation of the provisions of this act, and for other purposes.

The Clerk read the bill as follows:

Be it enacted, etc., That this act shall in no respect be considered as a repeal of any of the provisions of the traffic acts for the District of Columbia, but shall be construed as supplemental thereto.

Sec. 2. The motor-vehicle operator's or chauffeur's license and all of the registration certificates of any person who shall by a final order or judgment have been convicted of or shall have for-

feited any bond or collateral given for a violation of any of the following provisions of law, to wit—

Driving while under the influence of intoxicating liquor or narcotic drugs, as provided in section 10 of the traffic acts of the District of Columbia;

Leaving the scene of an automobile accident in which personal injury occurs without making identity known, as provided in section 10 of said traffic acts;

Such other violations as constitute cause for suspension or revocation of licenses in the District of Columbia; or

A conviction of an offense in any other State, which if committed in the District of Columbia would be a violation of any of the aforesaid provisions of the traffic acts of the District of Columbia;

shall be suspended by the director of traffic (hereinafter called the director) because of such conviction and shall remain so suspended and shall not at any time thereafter be renewed, nor shall any other motor vehicle be thereafter registered in his name until he shall give proof of his ability to respond thereafter in damages resulting from the ownership or operation of a motor vehicle and arising by reason of personal injury to or death of any one person of at least \$5,000, and, subject to the aforesaid limit for each person injured or killed, of at least \$10,000 for such injury to or the death of two or more persons in any one accident, and for damage to property of at least \$1,000 resulting from any one accident. Such proof in said amounts shall be furnished for each motor vehicle owned or registered by such person. If any such person shall fail to furnish said proof his operator's license and registration certificates shall remain suspended and shall not at any time thereafter be renewed, nor shall any other motor vehicle be thereafter registered in his name until such time as said proof be given. If such person shall not be a resident of the District of Columbia, the privilege of operating any motor vehicle in the District of Columbia and the privilege of operation within the District of Columbia of any motor vehicle owned by him shall be withdrawn until he shall have furnished such proof: *Provided*, That in case of both residents and nonresidents, however, if it shall be duly established to the satisfaction of the director, and the director shall so find (a) that any such person so convicted, or who shall have pled guilty or forfeited bond or collateral, was, upon the occasion of the violation upon which such conviction, plea, or forfeiture was based, a chauffeur or motor-vehicle operator, however designated, in the employ of the owner of such motor vehicle, or a member of the same family and household of the owner of such motor vehicle; and (b) that there was not, at the time of such violation, or subsequent thereto, up to the date of such finding, any motor vehicle registered in the District of Columbia in the name of such person convicted, entering a plea of guilty, or forfeiting bond or collateral, as aforesaid, then in such event, if the person in whose name such motor vehicle is registered shall give proof of ability to respond in damages, in accordance with the provisions of this act (and the director shall accept such proof from such person), such chauffeur or other person, as aforesaid, shall thereupon be relieved of the necessity of giving such proof in his own behalf. It shall be the duty of the clerk of the court, or of the court where it has no clerk, in which any such judgment or order is rendered or other action taken to forward immediately to the director a certified copy or transcript thereof. A certified copy or transcript of the judgment, order, or record of other action of the court shall be prima facie evidence of such conviction therein stated.

Sec. 3. The operator's license and all of the registration certificates of any person, in the event of his failure to satisfy every judgment arising from an accident, or accidents, happening subsequently to the effective date of this act and which shall have become final by expiration without appeal of the time within which appeal might have been perfected or by final affirmation on appeal, rendered against him by a court of competent jurisdiction in the District of Columbia or any State, or in a district court of the United States, for damages on account of personal injury, or damages to property in excess of \$100, resulting from the ownership or operation of a motor vehicle by him, his agent, or any other person with the express or implied consent of the owner, shall be forthwith suspended by the director, upon receiving a certified copy of such final judgment or judgments from the court in which the same are rendered and shall remain so suspended and shall not be renewed, nor shall any other motor vehicle be thereafter registered in his name while any such judgment remains unstayed, unsatisfied, and subsisting, and until the said person gives proof of his ability to respond in damages, as required in section 4 of this act, for future accidents. It shall be the duty of the clerk of the court in which any such judgment is rendered to forward immediately to such director a certified copy of such judgment or a transcript thereof. In the event the defendant is a nonresident, it shall be the duty of the director to transmit to the commissioner of motor vehicles (or officer in charge of the issuance of operators' permits and registration certificates) of the State of which the defendant is a resident a certified copy of the said judgment. If after such proof has been given any other such judgment shall be recovered against such person for any accident occurring before such proof was furnished, and after the effective date of this act such license and certificates shall again be and remain suspended while any such judgment remains unsatisfied and subsisting: *Provided, however*, That (1) when \$5,000 has been credited upon any judgment or judgments rendered in excess of that amount for personal injury to or the death of one person as the result of any one accident; (2) when,

subject to the limit of \$5,000 for each person, the sum of \$10,000 has been credited upon any judgments rendered in excess of that amount for personal injury to or the death of more than one person as the result of any one accident; or (3) when \$1,000 has been credited upon any judgment or judgments rendered in excess of that amount for damage to property as the result of any one accident resulting from the ownership or operation of a motor vehicle by such judgment debtor, his agent, or any other person, with his express or implied consent, then and in such event such payment or payments shall be deemed a satisfaction of such judgment or judgments for the purposes of this section only.

Whenever any motor vehicle, after the passage of this act, shall be operated upon the streets and highways of the District of Columbia by any person other than the owner, with the consent of the owner, express or implied, the operator thereof shall, in case of accident, be deemed to be the agent of the owner of such motor vehicle.

If any such motor-vehicle owner or operator shall not be a resident of the District of Columbia, the privilege of operating any motor vehicle in the District of Columbia and the privilege of operation within the District of Columbia of any motor vehicle owned by him shall be withdrawn, while any final judgment procured against him for damages, including personal injury or death caused by the operation of any motor vehicle, in the District of Columbia or elsewhere, shall be unstayed, unsatisfied, and subsisting, and until he shall have given proof of his ability to respond in damages for future accidents as required in section 4 of this act.

In all cases of persons who have been tried and convicted or pled guilty of violations of traffic laws of the District of Columbia the operation by a nonresident or with his express or implied consent, if an owner of a motor vehicle, on any public street or highway of the District of Columbia, shall be deemed equivalent to an appointment by such nonresident of the director or his successor in office to be his true and lawful attorney upon whom may be served all lawful processes in any action or proceedings against him growing out of any accident or collision in which said nonresident may be involved while so operating or so permitting to be operated a motor vehicle on any such street or highway, and said operation shall be a signification of his agreement that any such process against him, which is so served, shall be of the same legal force and validity as if served upon him personally. Service of such process shall be made by leaving a copy of the process with a fee of \$2 in the hands of the director, or in his office, and such service shall be sufficient service upon the said nonresident: *Provided*, That notice of such service and a copy of the process are forthwith sent by registered mail by the plaintiff, or his attorney, to the defendant, and the defendant's return receipt appended to the writ and entered with the declaration. The court in which the action is pending may order such continuances as may be necessary to afford the defendant a reasonable opportunity to defend the action.

Sec. 4. Proof of ability to respond in damages when required by this act may be evidenced by the written certificate or certificates of any insurance carrier, duly authorized to do business within the District of Columbia, or in the case of a nonresident, by an insurance carrier authorized to transact business in any of the several States, that it has issued to or for the benefit of the person named therein a motor-vehicle liability policy or policies as defined in this act which, at the date of said certificate or certificates, is in full force and effect and designating therein by explicit description or by other appropriate reference all motor vehicles with respect to which coverage is granted by the policy certified to. The director shall not accept any certificate or certificates unless the same shall cover all motor vehicles registered in the name of the person furnishing such proof. Additional certificates as aforesaid shall be required as a condition precedent to the registration of any additional motor vehicle or motor vehicles in the name of such person required to furnish proof as aforesaid. Said certificate or certificates shall certify that the motor-vehicle liability policy or policies therein cited shall not be canceled except upon 10 days' prior written notice thereof to the director.

Such proof may be the bond of a surety company duly authorized to do business within the District of Columbia or a bond with at least two individual sureties, each owning unencumbered real estate in the District of Columbia, approved by a judge of a court of record, which said bond shall be conditioned for the payment of the amounts specified in section 2 hereof and shall not be cancelable except after 10 days' written notice to the director. Such bond shall constitute a lien in favor of the District of Columbia upon the real estate of any surety, which lien shall exist in favor of any holder of any final judgment on account of damage to property over \$100 in amount or injury to any person or persons caused by the operation of such person's motor vehicle, upon the filing of notice to that effect by the director in the office of the clerk of the Supreme Court of the District of Columbia.

Such proof of ability to respond in damages may also be evidence presented to the director of a deposit by such person with the clerk of the Supreme Court of the District of Columbia of a sum of money or collateral, the amount of which money or collateral shall be \$11,000. But the said clerk shall not accept a deposit of money or collateral where any judgment or judgments, theretofore recovered against person as a result of damages arising from the operation of any motor vehicle, shall not have been paid in full. The said clerk shall accept any such deposit and issue a receipt therefor.

The director shall be notified of the cancellation or expiration of any motor-vehicle liability policy of insurance certified under the provisions of this act at least 10 days before the effective date of such cancellation or expiration. In the absence of such notice of cancellation or expiration said policy of insurance shall remain in full force and effect. Additional evidence of ability to respond in damages shall be furnished the director at any time upon his demand.

Sec. 5. Such bond, money, or collateral shall be held by the said clerk to satisfy, in accordance with the provisions of this act, any execution issued against such person in any suit arising out of damage caused by the operation of any motor vehicle owned or operated by such person. Money or collateral so deposited shall not be subject to attachment or execution unless such attachment or execution shall arise out of a suit for damages, including injury to property, and personal injury or death, as a result of the operation of a motor vehicle. If a final judgment rendered against the principal on the surety or real-estate bond shall not be satisfied within 30 days after its rendition, the judgment creditor may, for his own use and benefit and at his sole expense, bring an action in the name of the District of Columbia against the company or persons executing such bond.

Sec. 6. The director shall, upon request, furnish any insurer, person, or surety a certified abstract of the operating record of any person subject to the provisions of this act, which abstract shall fully designate the motor vehicles, if any, registered in the name of such person, and if there shall be no record of any conviction of such person of a violation of any provision of any statute relating to the operation of a motor vehicle or of any injury or damage caused by such person as herein provided the director shall so certify. The director shall collect for each such certificate the sum of \$1.

Sec. 7. The director shall furnish any person who may have been injured in person or property by any motor vehicle, upon written request, with all information of record in his office pertaining to the evidence of the ability of any operator or owner of any motor vehicle to respond in damages.

Sec. 8. Any operator or any owner whose operator's license or certificate of registration shall have been suspended as herein provided, or whose policy of insurance or surety bond shall have been canceled or terminated, or who shall neglect to furnish additional evidence of ability to respond in damages upon request of the director shall immediately return to the director his operator's license, certificate of registration, and the number plates issued thereunder. If any person shall fail to return to the director the operator's license, certificate of registration, and the number plates issued thereunder as provided herein, the director shall forthwith direct any member of the Metropolitan Police of the District of Columbia to secure possession thereof and to return the same to the office of the director. Any person failing to return on demand such operator's license or such certificate and number plates shall be guilty of a misdemeanor and shall be fined not more than \$100, and such penalty shall be in addition to any penalty imposed for any violation of the provisions of the traffic acts as given in section 2 of this act. The amount of such fine shall be paid in the manner provided for the payment of fines for violations of the traffic acts.

Sec. 9. The director may cancel such bond or return such evidence of insurance, or the clerk may, with the consent of the director, return such money or collateral to the person furnishing the same, provided 3 years shall have elapsed since the filing of such evidence or the making of such deposit, during which period such person shall not have violated any provision of the traffic acts referred to in section 2, and provided no suit or judgment for damages on account of personal injury or damage to property in excess of \$100 resulting from the operation of motor vehicle by him or his agent shall then be outstanding against such person. The director may direct the return of any money or collateral to the person who furnished the same upon the acceptance and substitution of other evidence of his ability to respond in damages or, at any time after 3 years from the expiration of any registration or license issued to such person, provided no written notice shall have been filed with the director stating that such suit has been brought against such person by reason of the ownership, maintenance, or operation of a motor vehicle, and upon the filing by such person with the director of an affidavit that he has abandoned his residence in the District of Columbia or that he has made a bona fide sale of any and all motor vehicles owned by him and does not intend to own or operate any motor vehicle in the District of Columbia for a period of 1 or more years.

Sec. 10. Any person who by any other law of the District of Columbia is required to make provision for the payment of loss occasioned by injury to or death of persons or damage to property shall, to the extent of such provision so made and not otherwise, be exempt from this act.

Sec. 11. Any person who shall forge or without authority sign any evidence of ability to respond in damages as required by the director in the administration of this act shall be fined not less than \$100 nor more than \$1,000 or imprisoned not to exceed 1 year, or both.

Sec. 12. "Motor-vehicle liability policy" as used in this act shall be taken to mean a policy of liability insurance issued to the person therein named as insured by an insurance carrier authorized to transact business in the District of Columbia or, in the case of a nonresident, by an insurance carrier authorized to transact business in any of the several States, which policy shall designate, by explicit description or by appropriate reference, all motor vehicles with respect to which coverage is intended to be

granted by said policy, and shall insure the insured named therein and any other person using or responsible for the use of any such motor vehicle with the consent, express or implied, of such insured, against loss from the liability imposed upon such insured by law or upon such other person for injury to or death of any person, other than such person or persons as may be covered, as respects such injury or death by any workmen's compensation law, or damage to property except property of others in charge of the insured or the insured's employees growing out of the maintenance, use, or operation of any such motor vehicle in the United States of America; or which policy shall, in the alternative, insure the person therein named as insured against loss from the liability imposed by law upon such insured for injury to or death of any person, other than such person or persons as may be covered as respects such injury or death by any workmen's compensation law, or damage to property, except property of others in charge of the insured or the insured's employees, growing out of the operation or use by such insured of any motor vehicle, except a motor vehicle registered in the name of such insured, and occurring while such insured is personally in control, as driver or occupant, of such motor vehicle within the United States of America, to the amount or limit of \$5,000, exclusive of interest and costs, on account of injury to or death of any one person, and, subject to the same limit as respects injury to or death of one person of \$10,000, exclusive of interest and costs, on account of any one accident resulting in injury to or death of more than one person; and of \$1,000 for damage to property of others, as herein provided, resulting from any one accident; or a binder pending the issuance of any such policy, or an endorsement to an existing policy as hereinafter provided: *Provided*, That this section shall not be construed as preventing such insurance carrier from granting any lawful coverage in excess of or in addition to the coverage herein provided for, nor from embodying in such policy any agreements, provisions, or stipulations not contrary to the provisions of this act and not otherwise contrary to law: *Provided, however*, That separate concurrent policies covering, respectively, (a) personal injury or death, as aforesaid, and (b) property damage, as aforesaid, shall be considered a motor-vehicle liability policy within the meaning of this act.

No motor-vehicle liability policy shall be issued or delivered in the District of Columbia until a copy of the form of policy shall have been on file with the superintendent of insurance for at least 30 days, unless sooner approved in writing by the superintendent of insurance, nor if within said period of 30 days the superintendent of insurance shall have notified the carrier in writing that in his opinion, specifying the reasons therefor, the form of policy does not comply with the laws of the District of Columbia. The superintendent of insurance shall approve any form of policy which discloses the name, address, and business of the insured, the coverage afforded by such policy, the premium charged therefor, the policy period, the limit of liability, and the agreement that the insurance thereunder is provided in accordance with the coverage defined in this section as respects personal injury and death or property damage, or both, and is otherwise subject to all the provisions of the act.

Such motor-vehicle liability policy shall be subject to the following provisions, which need not be contained therein:

(a) The liability of any company under a motor-vehicle liability policy shall become absolute whenever loss or damage covered by said policy occurs, and the satisfaction by the insured of a final judgment for such loss or damage shall not be a condition precedent to the right or duty of the carrier to make payment on account of such loss or damage. No such policy shall be canceled or annulled as respects any loss or damage by any agreement between the carrier and the insured after the said insured has become responsible for such loss or damage, and any such cancellation or annulment shall be void. Upon the recovery of a final judgment against any person for any such loss or damage, if the judgment debtor was at the accrual of the cause of action insured against liability therefor under a motor-vehicle liability policy, the judgment creditor shall be entitled to have the insurance money applied to the satisfaction of the judgment. But the policy may provide that the insured, or any other person covered by the policy, shall reimburse the company for payments made on account of any accident, claim, or suit involving a breach of the terms, provisions, or conditions of the policy; and further, if the policy shall provide for limits in excess of the limits designated in this section, the insurance carrier may plead against such judgment creditor, with respect to the amount of such excess limits of liability, any defenses which it may be entitled to plead against the insured. Any such policy may further provide for the prorating of the insurance thereunder with other applicable valid and collectible insurance.

(b) The policy, the written application therefor (if any), and any rider or endorsement which shall not conflict with the provisions of this act shall constitute the entire contract between the parties.

(c) The insurance carrier shall, upon the request of the insured, deliver to the insured for filing, or at the request of the insured shall file direct, with the director of traffic an appropriate certificate as set forth in section 4 hereof.

(d) Any carrier authorized to issue motor-vehicle liability policies as provided for in this act may, pending the issue of such a policy, execute an agreement, to be known as a binder; or may, in lieu of such a policy, issue an endorsement to an existing policy, each of which shall be construed to provide indemnity or protection in like manner and to the same extent as such a policy.

The provisions of this section shall apply to such binders and endorsements.

Sec. 13. The following words, as used in this act, shall have the following meanings:

(a) The singular shall include the plural. The masculine shall include the feminine and neuter, as requisite.

(b) "Persons" shall include individuals, partnerships, corporations, receivers, referees, trustees, executors, and administrators; and shall also include the owner of any motor vehicle, as requisite, but shall not include the District of Columbia.

(c) "Motor vehicle" shall include trailers, motorcycles, and tractors.

Sec. 14. The directors shall make rules and regulations necessary for the administration of this act.

Sec. 15. Nothing herein shall be construed as preventing the plaintiff in any action at law from relying for security upon the other processes provided by law.

Sec. 16. If any part, subdivision, or section of this act shall be deemed unconstitutional, the validity of its remaining provisions shall not be affected thereby.

Sec. 17. This act shall go into effect 90 days after its passage and approval by the President of the United States.

Mr. TREADWAY. Mr. Speaker, if the gentleman will permit, there are in operation on the streets of the District of Columbia approximately 150,000 motor vehicles. These vehicles are operated by nearly 200,000 different drivers. The safe movement of these units of transportation along the streets and boulevards and around the confusing circles is one of the greatest problems confronting the people of the District of Columbia.

We must expect that with such a mass movement of vehicles in the hands of operators of various temperaments that there will be accidents. During the year 1933, 80 people were killed and 755 were injured on the streets of Washington. Since January 1 of the current year 52 people have been killed. Thus it is evident that our record for motor deaths during 1934 will be materially above that for last year. Obviously, drastic steps must be taken to remove the specter of death from our arteries of vehicular traffic. The question of how we can best do this is, I believe, one of the most important from a humanitarian standpoint confronting the present Congress.

Fortunately we have before us a measure that will help materially to solve the problem. It is the safety-responsibility law designed to control drunken, reckless, and irresponsible drivers of motor vehicles. The efficacy of such legislation has already been proven in 21 States and 9 Provinces of Canada, where similar laws have been in effect for some time. Included in the States having this progressive safety legislation is the State of Maryland to the north and the State of Virginia to the south. It is interesting to note that not a single State, once having adopted this legislation, has taken a backward step in regard to same; but, on the contrary, succeeding sessions of the legislatures have strengthened its provisions.

During the past week we have had here in Washington one of the greatest safety conferences ever held in the history of the country. I refer to the National Conference on Street and Highway Safety, presided over by the able Secretary of Commerce, Daniel C. Roper. This conference, without a dissenting vote, wrote into the uniform motor-vehicle code the provisions of the financial-responsibility bill now before us for adoption.

What is the objective of this legislation? It is threefold in character:

First, to provide an incentive for careful and safe driving and to control or eliminate the reckless and irresponsible operator.

Second, to compel those drivers who have demonstrated their recklessness to establish evidence for financial responsibility for their negligent acts in the future as a prerequisite to their regaining the privilege of driving.

Third, to furnish an incentive for payment of otherwise uncollectible judgments arising from automobile accidents.

The American Automobile Association, which has consistently supported this legislation, and in which I have the greatest confidence as an agency seriously concerned with the highway-accident problem, informs me that if the safety-responsibility law is enacted for the District of Columbia, approximately 450 reckless and financially irresponsible

operators of motor vehicles would be prohibited from using the streets of the National Capital each year. This number represents virtually two out of every three arrested annually for driving while intoxicated. The estimate of the A.A.A. is based on results secured elsewhere under similar legislation.

If this experience held true in the District of Columbia, approximately 700 operators would have their licenses and permits withdrawn each year as a result of conviction for driving while intoxicated, or leaving the scene of an accident where there was a personal injury without making their identity known. Of the 700, about 250 would regain their driving privileges by proving their financial responsibility for future accidents they may cause. The remaining 450 would be denied the privilege of using the streets.

Motorists who feel the weight of the safety-responsibility law will be those, and only those, who bring themselves within the scope of its provisions through a serious infraction of the motor laws, or failure to satisfy a legally rendered judgment. Surely, it is a great achievement, when, without injustice or penalty on the careful, the proven reckless who have only themselves to blame for the loss of their driving privileges, can be "ruled off the road." I am sure that everyone will agree with me that they are better off the road than on it.

I commend to my colleagues this safety legislation, and urge that you do that which has already been done by a previous Congress—pass this legislation and send it on to the Senate with the hope that this time the Senate will concur and that the people of the District of Columbia may have the benefits of strong safety legislation.

LIABILITY INSURANCE ON AUTOMOBILES

Mr. PATMAN. Mr. Speaker, if the gentleman will yield, I should like to ask the chairman if this is not the bill that requires the operator of an automobile to take out insurance if he has had an accident for which he was irresponsible, in other words, if he has been guilty of negligence?

As I understand, no operator of a motor vehicle in the District of Columbia will be required to carry insurance unless he has first been guilty of carelessness of some kind.

Mr. PALMISANO. As I understand it, he must be convicted of injuring someone before he is required to obtain insurance.

Mr. PATMAN. And only upon that condition and such other conditions that are outlined in the bill.

Mr. PALMISANO. Yes.

Mr. TREADWAY. Is it not a further fact that this bill has been copied in 21 States, so that it is providing legislation in the District of Columbia that is uniform with the legislation on the statute books of 21 States of the Union?

Mr. PALMISANO. As a matter of fact, I understand there are more than 21 States that have such legislation. This is a sort of uniform law which they are attempting to pass throughout the country.

Mr. O'CONNOR. Mr. Speaker, if the gentleman will permit, and if I may have the attention of the gentleman from Massachusetts, of course, this exemption of a first bite does not exist in the law of many of the other States. In most of the States, as I understand it, the necessity for insurance exists whether the person has had an accident or not. Therefore this is an exception and could not be called a uniform law.

Mr. TREADWAY. I may say that my experience is limited to my home State of Massachusetts. There the gentleman from New York is correct in saying that there is compulsory insurance for everybody. I am sorry to say the law does not seem to have been entirely satisfactory. It evidently makes insurance rates higher than some people think they should be, and there the original exemption does not occur. This bill, which, I understand, is a duplicate of many other bills, is advocated by the American Automobile Association, and simply calls for protection to the extent it applies to more or less irresponsibility on the part of drivers.

Mr. O'CONNOR. This bill only applies to taxi drivers?

Mr. TREADWAY. No; this is a general bill. The gentleman is confused on that point.

Mr. PALMISANO. Of course, the taxi drivers will be included and will come under this bill as well as the others.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THE NEW GOVERNMENT FURNITURE FACTORY BILL

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. LUDLOW. Mr. Speaker, by unanimous consent of the House I submit for the CONGRESSIONAL RECORD the following remarks I made today before the subcommittee of the House Post Office Committee, of which Mr. HAINES, of Pennsylvania, is chairman, the subject before the Committee being the new bill for the establishment of a Government post-office-furniture factory at Reedsville, W.Va.

The revised bill of my friend from West Virginia, Mr. RANDOLPH, embodying the Reedsville furniture factory proposition is not a particle different, in principle or in essence, from the same proposition against which the Congress already has registered its dissent by an overwhelming majority and my duty to my district, to my country, and to my conscience requires me to continue to register my opposition to this sort of legislation.

The new bill would put the Government into direct and destructive competition with private enterprise and its enactment would be a dangerous step because it would tend to lead the Government God knows where in the direction of sovietizing all industry.

I am opposed to the bill for two primary reasons:

1. It would destroy an old-established factory in my district and would drive out of employment and perhaps to the charity rolls the good citizens and their families who are now supported by that factory.

2. It would by deliberate legislative act recognize the right of the Government to establish factories, with all the wealth of the United States Treasury behind them, to compete with and crush out of business factories established by private capital.

Of these two objections the last one is by far the more important. The first objection is infinitesimally insignificant compared with the last one.

I am unwilling to see one of the cherished institutions of my city wiped out and my constituents ground in the crucible of unemployment and poverty, but I am doubly unwilling to see a precedent established that might be broadened and developed into a Soviet state with its natural and inevitable concomitant, the nationalization and regimentation of all industries and all workers. This would sound the death knell of individual liberty in America. This is a prospect too terrible to contemplate. It is a prospect the very possibility of which should put us on guard. Like most of the Members of Congress, including you whom I am addressing, I take my responsibilities seriously. I have not forgotten, and I hope I never shall forget, that we who are trying to serve our country in Congress in these days of flux, in these days when cherished institutions are subjected to a great strain, are the guardians of posterity. We should try to see clearly and should pray that no innocent misstep of ours will wreck our form of government or mar the purposes of the Constitution, the greatest chart of human freedom ever struck from the brain of man. I believe this bill, insignificant and innocent as it may appear, involves a real menace to posterity.

There is one other objection I have to the bill which, while not of major importance, is, I think, quite important.

It illustrates the lavishness which too often accompanies the expenditure of the money derived from taxation. The Government never does anything as economically as private enterprise can do it. When this proposition was being debated in the House earlier in the year, a gentleman from North Carolina made a bona fide offer in written form to supply the Government a complete wood-working factory, capable of manufacturing all the post-office equipment in

the country for \$52,500, or 0.1 of the amount which the Government at that time proposed to use in the establishment of its factory. Yet this new bill, now before you, raises the limit to be spent and proposes to increase to \$650,000 the Government's appropriation to establish a Government factory. In other words, it is now proposed to spend on this Government factory more than 12 times the amount for which a completely equipped factory can be purchased. Would that be fair to the taxpayers? Does this Congress really propose to spend \$650,000 to establish an experimental factory, when an existing established factory in complete running order could be bought for \$52,500? If I were to approve that expenditure I would be haunted forever by my broken promises, for I promised my people that I would stand firm for economy in government.

NATION APPRECIATES MRS. ROOSEVELT

I have only love in my heart for the great souls that are promoting this legislation. I am a thousand percent with them in all the essential features of their great program of humanitarian activities for the amelioration of the human race. I yield to no one in my admiration of the First Lady of the Land. According to my way of thinking, among all of the First Ladies I have known she fills that office—for it is an office—most acceptably, most magnificently. I have learned in a long career of hard knocks that in this vale of tears we can do nothing better, we can do nothing finer, we can do nothing grander than to help our fellow beings over the rough places of life. Judged by that exalted rule, the First Lady is the greatest success of all those who have occupied her exalted station. I like her because she is singularly blessed with the human touch. She is always searching out ways to do good. If ever a person demonstrated love for her fellow beings she has demonstrated that, and, as I witness her untiring efforts to serve, it appears to me that the poorer, the humbler, the more forlorn, the more God-forsaken the individual is, the greater is her love. I say God bless Mrs. Roosevelt. The Nation needs her, and as one American who appreciates what a splendid First Lady we have, I extend my very best wishes to her and express the hope that she may have many more years of usefulness in the White House.

The question before your subcommittee, however, in the consideration of this bill is not whether the First Lady is a splendid woman. We all know that she is. The question is not whether her ministrations in general are a blessing to the poor and unfortunate in the dark night through which we are passing. We all know that they are. The question that is really before you in this particular instance is whether it is wise and advisable for the Government to set up a factory to compete with private enterprise. We are called upon to decide whether it is wise and advisable for the Government to establish a factory that will utterly destroy and take over the business of a factory that is now operated by American private citizens on private capital.

My belief is that we should shun the establishment of that precedent as a nation would avoid a war or a pestilence and as an individual would shun a rattlesnake. It will not be long, as time flies, until all of us, including the noble-hearted sponsors of this measure, will be in our tombs. After us, what? The Government furniture factory will not die with us. The time may come when we shall have in the White House some man who is not gifted with the nobility of purpose of our present Chief Executive; some tyrant reaching out for power. Looking at that Government furniture plant in West Virginia he may say:

"Here I have it! Here is just the precedent I want. Here is a factory that makes screen-line equipment for the Government. Nearly everything that is manufactured is used in some form by the Government. Why not establish factories to manufacture everything the Government uses, and thus drive private enterprise out of business and sovietize America?"

THE ROAD TO DISASTER

And why not, if this bill goes through and this precedent is established? The sure way to safeguard the country against this calamity is to abandon this bill. The sure way

is for Members whose districts may be affected by such a policy to vote against this bill. The Government uses vast numbers of automobiles and trucks. Do the Members of Congress from automobile centers want this precedent established? The Army, Navy, Marine Corps, Civilian Conservation Corps, and other Government agencies buy vast numbers of shoes made in New England and in factory cities of the East and Midwest. Do the Members of Congress from those districts want this precedent established? The Government is an enormous consumer of cotton bagging and cotton twine. Do the Members of Congress from the cotton-growing States want this precedent established? The Government makes purchases on a large scale of typewriters, clothing, electric-light bulbs, and a thousand and one varieties of supplies that are now privately manufactured and that give employment in the aggregate to millions of American workmen. Do the Members of Congress from those districts want to establish this precedent, so that ultimately the millions of American citizens who now enjoy the blessings of private life as employees of private factories may ultimately be taken over and bossed by the Government in a system under which they will be regimented by bureaucratic orders from Washington? This is a serious matter, in its meaning and implications. I believe Members of Congress will treat it with the seriousness it deserves. If all the Members of Congress who have factories and other private activities in their districts that may logically be put out of business if this precedent is established will realize what it means, they will vote against the bill introduced by my friend, the gentleman from West Virginia; and if all of them do that, it will get hardly any votes.

REQUIRING FINANCIAL RESPONSIBILITY OF CAB OWNERS

Mr. PALMISANO. Mr. Speaker, I call up the bill (H.R. 5043) to require financial responsibility of owners and operators of vehicles for hire in the District of Columbia, and for other purposes.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Public Utilities Commission of the District of Columbia is hereby directed to require any and all corporations, companies, associations, joint-stock companies, or associations, partnerships, and persons, their lessees, trustees, or receivers, appointed by any court whatsoever, operating, controlling, managing, or renting any passenger motor vehicles for hire in the District of Columbia, except as to operations licensed under paragraph 31 (b) of the act approved July 1, 1932, known as the "License Act" and except such common carriers as have been expressly exempted from the jurisdiction of the Commission, to file with the Commission a bond or bonds, policy or policies of liability insurance in such amount or amounts as may be required from time to time by the Commission, conditioned for the payment to any person of any judgment recovered against such corporations, companies, associations, joint-stock companies, or associations, partnerships, and persons, their lessees, trustees, or receivers, appointed by any court whatsoever, or renters of their cabs for death or for injury to any person or injury to any property, or both, caused in the operation, maintenance, use, or by reason of the defective construction of such motor cabs or other vehicles. Any such bond or undertaking or policy of liability insurance shall be in such form and on such terms or conditions as the Commission may direct. Any such policy of liability insurance shall be issued only by such insurance companies as may have been approved by the Commission, and any such bond or undertaking shall be secured by a corporate surety approved by the Commission. No such bond or policy of insurance may be canceled or terminated unless not less than 20 days prior to such cancellation or termination notice of intention so to do has been filed in writing with the Commission. It shall be unlawful to operate any vehicle subject to the provisions of this paragraph unless such vehicle shall be covered by an approved bond or policy of liability insurance as provided herein. The Commission shall have the power to make all reasonable rules and regulations which, in its opinion, are necessary to make effective the purposes of this paragraph.

SEC. 2. Any violation of this act or of the regulations lawfully promulgated thereunder shall be deemed a misdemeanor and upon conviction shall be punishable by a fine of not more than \$300 or by imprisonment for not more than 90 days.

With the following committee amendment:

Strike out all after the enacting clause and insert: "That the Public Utilities Commission of the District of Columbia is hereby directed to require all owners operating, controlling, managing, or renting any passenger motor vehicles for hire in the District of Columbia, except as to operations licensed under paragraph 31 (b) of the act approved July 1, 1932, known as the 'License Act', and

except such common carriers as have been expressly exempted from the jurisdiction of the Commission, to file with the Commission for each motor vehicle to be operated a bond or bonds, policy or policies, of liability insurance conditioned for the payment of any judgment recovered against such owner or his agent, lessee, employee, or renter, for death or for injury to any person or damage to any property, or both, caused in the operation, maintenance, use, or by reason of the defective construction of such vehicle. Any such bond or undertaking or policy of liability insurance shall be in such form and on such terms and/or conditions as the Public Utilities Commission of the District of Columbia may direct: *Provided*, That such bond or policy may limit the liability of the surety or insurer on any one judgment to \$2,500 for bodily injuries or death and \$500 for damage to or destruction of property, and all judgments recovered upon claims arising out of the same transaction or transactions connected with the same subject of action to \$5,000 for bodily injuries or death and \$1,000 for damages to or destruction of property, to be apportioned ratably among the judgment creditors according to the amount of their respective judgments: *Provided, however*, That such bond or bonds, or policy or policies, of insurance shall contain a provision for a continuing liability thereunder notwithstanding any recovery thereon.

"Sec. 2. That the bond or bonds, policy or policies, of insurance required by this act shall be issued only by such company or companies as shall be certified to the Public Utilities Commission of the District of Columbia by the Superintendent of Insurance of the District of Columbia as hereinafter provided, except the superintendent of insurance shall not certify to the Public Utilities Commission that a company issuing insurance policies or surety bonds under the provisions of this act is responsible, unless such company or companies shall have and maintain at all times, in addition to the reserve provided by law, an unimpaired capital, if a stock company, of \$100,000, except that if such stock company is engaged in doing business solely within the District of Columbia said unimpaired capital shall be not less than \$50,000; and if a mutual company, a surplus to the policyholders of not less than \$100,000, except that if such mutual company is engaged in doing business solely within the District of Columbia said surplus to policyholders shall be not less than \$20,000: *Provided*, That such company or companies shall be subject to the approval of the Public Utilities Commission.

"Sec. 3. If, after the issuance of a certificate it shall appear to the said Superintendent that any company or companies are no longer trustworthy or financially capable of meeting their obligations he shall withdraw from the Public Utilities Commission the certificate theretofore issued by him and in such event the company or companies shall immediately cease to write any further bond or bonds, or policy or policies, of insurance under this act: *Provided*, That the Commission, for the same reasons and after 20 days' notice to an owner, may withdraw its approval, and such owner shall cease to operate or cause to be operated the vehicles insured under such policy or bond until he has complied with the provisions of this act.

"Sec. 4. No bond or policy of insurance written pursuant to the terms of this act shall be canceled or terminated by any insurance or surety company unless not less than 5 days prior to such termination or cancellation notice of intention so to do has been filed in writing with the Commission.

"Sec. 5. It shall be unlawful to operate any vehicle subject to the provisions of this act unless such vehicle shall be covered by an approved bond or policy of liability insurance as provided herein. The Commission shall have the power to make all reasonable rules and regulations which, in its opinion, are necessary to make effective the purposes of this act.

"Sec. 6. Any violation of this act or of the regulations lawfully promulgated thereunder shall be deemed a misdemeanor and upon conviction shall be punishable by a fine of not more than \$300 or by imprisonment for not more than 90 days.

"Sec. 7. This act shall take effect October 1, 1934."

Mr. PATMAN. Mr. Speaker, I should like to be heard on this bill, and the gentleman from Maryland has agreed to divide the time.

Mr. PALMISANO. Mr. Speaker, I yield 30 minutes to the gentleman from Texas [Mr. PATMAN] to dispose of as he sees fit.

Mr. Speaker, this is a bill to protect the pedestrians and the public. Throughout the country we have found that taxicab drivers—individual drivers—are in many cases irresponsible, and whenever they have an accident the injured person is unable to receive any benefit to pay expenses incurred by virtue of the accident received, although the taxicab driver is in fault.

We have just passed a bill compelling private individuals who use cars, much less than taxicab drivers, to obtain insurance against accident. Taxicabs run all day long, and in most instances when they have a passenger violate the speed laws, and it stands to reason that they ought to protect the public against accident.

This is giving them a little more rights than the ordinary liability insurance that most Members of the House obtain

for themselves. The usual liability is \$5,000 to \$10,000. This only compels the individual taxicab driver to insure for \$2,500 and \$5,000. I cannot see why there should be any objection to the bill.

Mr. O'CONNOR. Does this bill requiring the taxicab driver to take out insurance have the same exception that the first bill that we passed had?

Mr. PALMISANO. No.

Mr. GLOVER. Will the gentleman yield?

Mr. PALMISANO. Yes.

Mr. GLOVER. The report says that this will cause the taxicab company to pay \$75,000 next year for insurance. Will that raise the price that they charge for hire?

Mr. PALMISANO. Well, I suppose it might raise it a nickel.

Mr. GLOVER. Would it not affect the price now charged by taxicabs so that it will be much higher for passengers?

Mr. PALMISANO. It may be 5 cents higher. I may say that in Maryland they have not only passed a law compelling insurance, which places an additional burden on the private taxicab driver, but in that case they drive 3½ miles for 25 cents.

Mr. BLANTON. Will the gentleman yield?

Mr. PALMISANO. Yes.

Mr. BLANTON. There were two bills relating to automobile insurance here on this calendar. We have passed one which grants much protection. My colleague, Mr. PATMAN, has serious objection to this bill for several reasons; why insist on passing this one now?

Mr. PALMISANO. We had no other bill here. The people of the District seem to want this bill, and we ought to pass it.

Mr. BANKHEAD. Will the gentleman yield?

Mr. PALMISANO. I yield.

Mr. BANKHEAD. What is the attitude of the taxicab drivers themselves, these young men who are making a fair living, working day and night to make a living for their families? Are they not all opposed to this proposition and will it not work an undue and unjust hardship on them at this time?

Mr. PALMISANO. I personally do not think so. My colleague on the committee is more familiar with the bill and he may answer the question further.

Mr. CARPENTER of Kansas. I attended all the meetings of the committee. We had extensive hearings in which all the different elements of the taxicab business appeared before the committee. About 99 percent of the legitimate taxicab organizations, whether they were independents or associations, were for the bill.

Mr. BANKHEAD. The organizations to which the gentleman refers are the owners of the cabs, are they not?

Mr. CARPENTER of Kansas. We had one man by the name of Hines who is a veteran. The statement has been made that there are a great many veterans operating taxicabs and thereby making a livelihood. One of the principal persons representing them appeared before the committee; the man I have just referred to, by the name of Hines, who has four or five taxicabs. He was in favor of the bill. He has come to me outside of the committee three or four times and thanked me for my interest in this bill.

Mr. BANKHEAD. I have had three or four of these boys who drive taxicabs talk to me about this matter, and they are deeply interested. From the figures cited to me, it would be a great hardship on them, in view of the terrible time they have to eke out a living at this time. I should certainly like to hear some pressing, imperious necessity for the passage of this bill.

Mr. CARPENTER of Kansas. The necessity for the passage of this bill is that you have constituents coming here and I have constituents coming here who ride these taxicabs. Those people constitute the main occupants of these cabs. With this city crowded with all kinds of rattletrap taxicabs a menace is constituted in this town. If there are a few of these taxicabs put out of business, it is justified by the safety to the public, and we owe that duty to your constituents and my constituents and the constituents who come

here from all over the United States. There may be a few of these rattletrap taxicabs run off the streets. The condition which the gentleman from Alabama states prevails all over the country, and yet we have the protection of the people involved.

Mr. BLANTON. Will the gentleman yield?

Mr. CARPENTER of Kansas. I yield.

Mr. BLANTON. Until 5 years ago there was the biggest monopoly in the world of the taxicab business in Washington. There was what was known as the "Black and White" and the "Yellow", and one other company, which absolutely controlled all of the taxicab business in this city, and it was almost impossible to get service. We get better service now for 20 cents than we got then for \$1.

It is the poor people of Washington who use taxicabs. Many have no other means of reaching work. It is the people who draw salaries of \$1,200, \$1,500, \$1,800, and \$2,500 who use the taxicabs of Washington. They now have the best service and the most reasonable service they have ever had. We have been fighting for years to stop the monopoly.

There is one monopoly which still exists, and which the committee ought to break up before we adjourn, and that is the monopoly over here at Union Station which allows one company to put all of its taxicabs in on the first runway, and if anyone wants to go to the station in another taxi or their own vehicle, they have to get out on the second or third runway and pass through all these lined-up monopolistic taxicabs and take a chance on getting run over to get into the Union Station. That is a monopoly that the committee ought to stop. If I were a member of that committee I would not go to sleep at night until I took steps to get a bill reported to stop that infamous monopoly. There ought to be an equal chance to all vehicles over at that depot, in the Nation's Capital. This Government spent hundreds of thousands of dollars in helping to establish that Union Station and helping to construct it.

It is outrageous to have one taxicab company occupy the inside track and get all the taxicab business at Union Station.

Mr. CARPENTER of Kansas. In reply to the gentleman, I will say that I agree with him on that proposition, but that is not up for consideration now.

Mr. BLANTON. Why is it not before your committee?

Mr. CARPENTER of Kansas. Wait until I get through. The proposition we have is that some of your constituents or members of your family would have to go through that place which you just said was dangerous and run the risk of being injured by the taxicabs, and then not be able to get anything out of it for the injury.

Mr. BLANTON. If you pass this bill you run off of the streets of Washington 500 taxicabs, at least. At least 500 young men with families, a wife and two or three little children, are now making a living, and I have talked to many of them. Many of them are men who went to France. If you pass this bill which is now pending you will run off the streets of Washington at least 500 of those cabs and keep 500 heads of families from making an honest living.

Mr. CARPENTER of Kansas. Well, is that more important than that the people be able to receive something for their injuries?

Mr. BLANTON. I have not heard of many of them being injured.

Mr. CARPENTER of Kansas. Oh, there are lots of them. In the bankruptcy court there are 184 unpaid claims growing out of taxicab accidents in which only one taxicab company is involved.

Mr. BLANTON. I think we have some of the finest taxicab drivers in the world right here in Washington.

Mr. PATMAN. Will the gentleman yield?

Mr. CARPENTER of Kansas. I yield.

Mr. PATMAN. The gentleman will not contend there was any such evidence presented before the committee?

Mr. PALMISANO. Now, Mr. Speaker, I do not want to take up all the time—

Mr. DONDERO. Will the gentleman yield for a question?

Mr. PALMISANO. I yield.

Mr. DONDERO. Will this add a cost of \$35 a year for each of these taxicab drivers for a bond?

Mr. PALMISANO. I am not just sure what the cost will be. Of course there will be some cost. In answer to that I may say that in order to protect the public we are compelling and we just passed a bill which provides that you and I must have insurance in case we have an accident.

If you provide it for the individual, it seems to me it ought to be more important that a common carrier should have insurance in order to comply with the old common-law rule that they are responsible whenever a passenger is hurt in their car.

They certainly ought to be in a position to pay something.

Mr. DONDERO. Would they not have to charge higher rates for their service?

Mr. HASTINGS. Mr. Speaker, will the gentleman yield?

Mr. PALMISANO. I yield.

Mr. HASTINGS. The minority report states that it will cost from \$30 to \$35 a month, instead of a year, for this insurance.

Mr. DONDERO. I think it will be considerably lower.

Mr. HASTINGS. This is an important consideration. What is the estimated cost per single taxicab per month for \$2,500 of insurance?

Mr. TRUAX. It is very high, I may say to the gentleman.

Mr. PALMISANO. I am not certain as to the cost. It may be of interest to the gentleman to learn about the taxicab situation in Baltimore. I have fought against meters in the District of Columbia because I think they add an unnecessary expense. In Baltimore they compel the taxicabs to put on meters and to carry \$5,000 and \$10,000 insurance. The taxi rate in Baltimore is 25 cents for the first 3½ miles. In my estimation that rate provides a longer ride for 20 cents than one gets in the District of Columbia.

Mr. HASTINGS. Was any testimony taken before the committee showing what the cost of this insurance would be for a single taxicab?

Mr. O'CONNOR. In the city of New York a \$5,000 insurance policy costs \$28 a month for each cab.

Mr. TRUAX. The rate would be the same here.

Mr. PALMISANO. Then for \$2,500 the premium would be \$14 per month.

Mr. FORD. Mr. Speaker, will the gentleman yield?

Mr. PALMISANO. I yield.

Mr. FORD. Does the gentleman seriously think that any man who pays 20 cents to ride in a taxicab is entitled to the protection of insurance?

Mr. PALMISANO. How about the pedestrian?

Mr. FORD. That is another matter. I hope the gentleman will answer my first question.

Mr. PALMISANO. The man who pays 7½ cents to ride on a street car can collect damages in case he is injured in an accident in which the street car is involved. By the same token a man who pays 20 cents to ride in a public vehicle should have the same kind of protection.

Mr. GLOVER. Mr. Speaker, will the gentleman yield?

Mr. PALMISANO. I yield.

Mr. GLOVER. As I understand, there are four large insurance companies in Washington that will write this insurance. There is no provision in the bill which fixes the rate they can charge for the insurance. They can get together and fix any rate they wish, with the sky the limit.

The House has just passed another insurance bill relating to the drivers of all vehicles. That bill covers the situation we are now discussing. As I see it, the former bill obviates the necessity of passing legislation of the kind we are now considering. If this bill is passed it will throw out of employment hundreds of people and turn them over to the public to be fed. Is not that true?

Mr. PALMISANO. Yes; but under the liability bill it will be necessary to have \$5,000 and \$10,000 after an accident where, by the present bill, we are seeking to make it a little easier for the taxicab drivers by requiring that they carry only \$2,500 of insurance.

Mr. GLOVER. Did I not understand the gentleman a moment ago to state that there would be a meter system evolved?

Mr. PALMISANO. No, the gentleman must have misunderstood me, for I said that I have consistently fought the meter system.

Mr. TRUAX. Mr. Speaker, will the gentleman yield?

Mr. PALMISANO. I yield.

Mr. TRUAX. I wonder if these 4 big insurance companies have any connection with the 5 big insurance companies for which in the early days of the last session we appropriated \$50,000,000 to keep them functioning when they were practically broke.

Mr. PALMISANO. I do not know anything about the companies which will write this insurance.

Mr. TRUAX. I thank the gentleman for his statement. I want to call attention to what I consider one of the greatest taxicab evils in Washington; that is the evil of cruising in fleets around the corners of streets. It frequently happens that when pedestrians try to cross streets as many as 15 cabs will swing around the corner, one after the other, in a fleet. We should do something to stop this cruising around corners; it should be regulated in some way.

In my judgment this bill will penalize the little fellow, as has been said, to the advantage of the monopolies and the organized taxicab companies.

Mr. HOEPEL. Mr. Speaker, will the gentleman yield?

Mr. PALMISANO. I yield.

Mr. HOEPEL. I wish to call attention to a case which happened yesterday. A lady paid 20 cents to go to a certain point and then had to pay 80 cents to return. Does not the gentleman think it would be more desirable to legislate uniform rates in the District than it would be to pass legislation, the effect of which will be to put a great many taxicab drivers out of business?

Mr. BLANTON. Mr. Speaker, if the gentleman will yield, the lady should not have paid him, but should have called the police department and had them come and take charge of that driver, for such discrimination in rates is outrageous. The people should not be held up.

Mr. HOEPEL. I think the gentleman misunderstands the situation. The lady took a 20-cent cab to go to the place, in the first instance, but was so unfortunate as to hail a meter cab for the return trip. I feel that there should be a uniform scale of taxicab rates in this city.

Mr. BLANTON. I agree with the gentleman in that respect; but the bill under consideration is another proposition. If it is passed, the poor people here who now ride for 20 cents will have to pay 50 or 75 cents.

Mr. PALMISANO. The law requires that the rates be posted in the cars.

Mr. HOEPEL. Yes; but a person can never see them or understand them.

Mr. PALMISANO. The meter rates are different from the zone rates. The other day I got into a meter taxicab to go to the station, and it cost me 35 cents instead of 20 cents.

Mr. HOEPEL. I contend that we should eliminate the meter system.

Mr. PALMISANO. The bill under consideration does not deal with rates.

Mr. DIRKSEN. I think the approach of this taxicab matter is from the standpoint either of the one who wants to get cheap fares or from the standpoint of one who wants to ride in a cab and be protected in case of accident. There is no question but what it is going to cost the cabbies \$25 or \$30 a month to carry the insurance, just as intimated by the gentleman from New York [Mr. O'CONNOR]. Obviously the cabby is going to have to pass this additional expense on to the people. He has to get it from somewhere, and certainly the taxi fares are going up. I do not know how much they will go up, and I do not believe anyone knows. They may go up to 30 cents, or perhaps only to a quarter.

If you prefer to carry your own insurance, very well and good, then you may very well oppose this bill. However, if

you feel there ought to be some measure of responsibility put upon the shoulders of these taxi drivers in the event of an accident wherein personal or property damage may result and if you feel that the taxi driver should be financially responsible either by bond or through property or otherwise whereby a judgment might be collected, you should vote for this bill.

It is one thing to look at this very dispassionately, never having been in a taxicab accident, and it is another thing to go on year in and year out without an accident, and think only of the taxicab fare. If you want to carry your own insurance and if you want everyone who rides in taxicabs to carry his own insurance, I would suggest voting down this bill and pay your 20 cents day after day. However, if you are going down Pennsylvania Avenue in a cab and have a wreck at Ninth and Pennsylvania Avenue and go to the hospital and come out of the hospital with a \$500 doctor and hospital bill, just shake hands with yourself and say that this was paid for in savings in cab fares. On the other hand, if you have had an accident, if you are thinking about the people who have had accidents or those who by the law of probability are going to have accidents, then I think the thing to do is to vote for this bill.

Mr. BLANTON. Will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Texas.

Mr. BLANTON. Just providing for insurance is not going to bring the millennium, because after you get insurance even in some of the big companies and you have an accident, those companies have the finest and the shrewdest legal talent in the world hired by the year, and they will go into court and beat you out of it, if they can.

Mr. DIRKSEN. Would not that be true in the gentleman's State as well as in the District of Columbia?

Mr. BLANTON. Yes, of course. I think the the first bill which we have already passed, has provided reasonable assurance of protection to the people and I think the second bill ought not to be passed.

Mr. CARPENTER of Kansas. Will the gentleman yield?

Mr. BLANTON. I yield to the gentleman from Kansas.

Mr. CARPENTER of Kansas. How about the poor fellow who has the first accident?

Mr. BLANTON. It is not necessary to have an accident for a taxi driver to be negligent, and be forced to carry insurance under the bill we have passed. Every time one of these negligent taxicab drivers has defective brakes, or cuts one of these corners short, or speeds in congested districts, he is guilty of negligence and when a policeman catches him or somebody else reports him, he should be suspended, and he can then be forced to take out insurance under the bill we have just passed. He does not have to have an accident to be negligent. Why, a man may drive 20 miles an hour and be more careless and negligent than when driving 60 miles an hour in some other locality. There are places where a man should not drive over 10 miles an hour to keep from being negligent.

Mr. DIRKSEN. May I conclude my statement by saying that there is no mystery about this bill. All it asks is that the taxicab drivers furnish a bond in a certain amount. Then it provides for the regulations under which the so-called "mutual" or stock companies shall operate, including the amount of reserve, and so forth.

Mr. BLANTON. The bill forces all of them to get a license, and there is where the monopoly comes in, for many of the independents cannot pay the required cash. The monopoly will come in and stop them from getting licenses.

Mr. DIRKSEN. This bill covers the amount of reserve and the amount of capital that these so-called "mutual insurance companies" shall carry. The insurance companies will operate under the regulations and under the supervision of the Superintendent of Insurance. That is all there is under this bill. The only question to be decided here is whether you are going to carry your own insurance and continue to pay 20 cents in the first zone, or protect all people who are riding in cabs by providing taxicab operators who are financially responsible through the instrumentality of a bond.

That is all there is to this bill. There is nothing mysterious or complex about it, and there is not a State in the Union that does not compel some kind of insurance in these cases.

Mr. TRUAX. Why not take out insurance on the pedestrians?

Mr. DIRKSEN. These people serve in the capacity of common carriers and hold themselves out for hire by everybody. They are public servants in this respect.

Mr. DONDERO. May I ask the gentleman from Illinois whether he thinks insurance is going to make the taxicab drivers less negligent?

Mr. DIRKSEN. I do not know about that. Human nature will always operate in the District of Columbia as well as in Ohio or Texas or Illinois.

Mr. PALMISANO. Mr. Speaker, I reserve the balance of my time.

Mr. HOEPEL. Mr. Speaker, I make the point of no quorum.

The SPEAKER. The Chair will count.

Mr. HOEPEL. Mr. Speaker, inasmuch as I believe the interests of the people will be adequately protected by those present, I withdraw the point of no quorum.

TAXICAB LIABILITY INSURANCE

Mr. PATMAN. Mr. Speaker, a few minutes ago we passed a bill that will require all operators of motor vehicles, whether they are cab drivers or individual owners, to carry liability insurance after they have been guilty of an act of carelessness, negligence, or a violation of law for which their permit to drive might be taken away from them in Washington, D.C. This law says that if any person drives while under the influence of liquor or narcotic drugs, or if he leaves the scene of an accident when he should not leave, or is guilty of such other violations as constitute cause for suspension or revocation of license in the District of Columbia, or has been convicted of an offense in another State which if committed in the District of Columbia would be a violation of any of the aforesaid provisions of the traffic act of the District of Columbia, he shall not be permitted to operate an automobile in the District until he takes out liability insurance with a reputable company.

This applies not only to individual owners but to taxicab owners as well, and we have in Washington, D.C., drivers who have been driving here for 15 years, making a living for themselves and their families, who have never been accused of an offense of any kind. No act of negligence or carelessness has ever been charged against them.

Do you not think this is a pretty good record for the taxicab drivers? We have fewer taxicab accidents than any city of this size in America. The reason is the taxicab operator has something to lose if he violates the law. He has a very valuable permit. This is his asset and the only asset he has on earth. This is his business and trade. This is the way he makes a living—by possessing the privilege of driving a taxicab upon the streets of the District of Columbia. If he loses this permit it is the same to him as if a business man lost his place of business or a man lost his home or anyone who made an investment losing such investment, representing the savings of a lifetime. This is exactly what such a taxicab driver loses. He loses everything he has on earth if he violates the law of the District of Columbia. This is the reason you do not have many taxicab accidents here. You have careful drivers because they have something to lose if they violate the law.

This bill, Mr. Speaker, should not be designated as a safety bill. I know that one of the greatest lobbies in America today is the insurance lobby. They do not operate openly and aboveboard. They operate somewhat in sheep's clothing. They go around under the name of safety organizations for the protection of the public. They are always talking safety and protection—save the little children, save the old people. You see their placards all over the country. They are doing this to sell the country the theory that all kinds of insurance laws should be passed which will enable them to receive enormous premiums for writing this insurance.

If they are really honest and sincere in their desire to protect the people who use taxicabs on the streets of the District of Columbia from loss by reason of property damage or personal injury, why do they not write into this bill the provision that they shall be fully covered. No; the insurance company would not write that kind of business. They just want enough safety in the law so they will get the business. The limit of the liability under this bill will be \$2,500 for personal injury. This will be the limit. Why do they not make it more? They are going to get everything that the cab owner can afford to pay, anyway, for insurance under the \$2,500 liability, and they could not pay the insurance if it were more. They just want enough safety so they will get the premiums they want and all the owners can pay. If there were a judgment of \$20,000 against them, the cab company would still have to pay the \$17,500. If there were a judgment of \$1,000 for property damage, the cab company would still have to pay \$500 of that, because the insurance company has a very limited liability, but sufficiently broad to enable them to collect \$1,500,000 more from the taxicab operators in this District every year, if you pass this bill.

Mr. O'CONNOR. Will the gentleman yield?

Mr. PATMAN. Just for a brief question, because I have very limited time.

Mr. O'CONNOR. Does the gentleman know that every company in New York City that has made a specialty of insuring taxicabs at \$28 a month has made a failure of it and is in liquidation? This is how profitable it is.

Mr. PATMAN. The gentleman is right. In New York there is one fleet of cabs that cannot get insurance.

Mr. BLANTON. They go broke because they pay their presidents from \$100,000 to \$200,000 a year as salary.

Mr. PATMAN. Whenever you require them to take insurance to give full protection, it means the insurance companies go broke instead of the taxicab companies, and under this bill there will be \$1,500,000 a year added in Washington to the cost of using taxicabs.

Mrs. KAHN. Will the gentleman yield?

Mr. PATMAN. I yield.

Mrs. KAHN. Has the gentleman any idea how much this insurance would cost a taxi driver today?

Mr. PATMAN. I think a reasonable estimate would be that the insurance would cost the taxi driver between \$25 and \$40 a month. In Baltimore it costs \$35 a month.

Mr. COX. Will the gentleman yield for a question?

Mr. PATMAN. I yield to the gentleman from Georgia.

Mr. COX. Will the effect of this legislation be to take the schoolboys who operate taxicabs off the streets?

Mr. PATMAN. They cannot operate them now. The taxicab operators in Washington have to stand a very rigid examination. This bill, if it is enacted into law today, will put off the streets tomorrow more than 1,000 independent operators, men who own their own cabs, or maybe have two or three cabs and have their neighbors or relatives driving for them. They will be put off the streets. One of the objects of the law is to create a monopoly of taxicabs in Washington.

The first object, I believe, is to help the insurance companies. This will cause them to make a lot of money and is one of the first objects. This is not the object of all the sponsors of the legislation. I do not mean to impugn the motives of any person who is sponsoring this bill, but some of those who are sponsoring it, I think, are doing so with the hope and expectation they will make money out of it. I am not referring to Members of Congress but to those who are advocating the legislation.

In their order I would say, first, the insurance companies; next, the street cars and busses want it passed, because they want this competition out of the way. While they are taking the cabs off the streets, they are putting more street cars and busses on the streets. I know there are a lot of good people who argue that it is unfair competition. This was argued to me as a member of the committee, and it was stated that we should stand for this legislation because it is unfair to the street-car companies and the bus companies to have to meet this kind of competition.

If you make them carry that insurance it will take off at least one-quarter of the taxicabs and the people will have to use the street cars or the busses, for they cannot find a parking place.

Mr. BOILEAU. Will the gentleman yield?

Mr. PATMAN. For a brief question.

Mr. BOILEAU. The gentleman stated that the rate would be thirty or forty dollars a month. That seems to be rather high. Has the gentleman any figures from a comparable city?

Mr. PATMAN. I do not think there is any dispute about it. They claim that they will start off with a charge of \$20 a month. But there is no limit to the amount they can charge the next day. The sky will be the limit on insurance rates. There will be no power in the District of Columbia or in the United States to reduce those rates. They can charge any amount they see fit. There is no power in the District of Columbia to prevent them doubling the rates. They can charge 40 cents to the Union Station instead of 20 cents to the Union Station, or they can charge a dollar. Of course, they claim they will be fair, but this business will all get into the hands of three or four companies, and it will be a monopoly. If you are willing to trust a monopoly with the cab rates and the insurance rates, you vote for this bill, because by your vote you will say that you have the utmost faith in a monopoly operating in the public interest.

Mr. BOILEAU. Will the gentleman again yield?

Mr. PATMAN. Yes.

Mr. BOILEAU. If they make the insurance compulsory, they should make it available at the lowest possible rate.

Mr. PATMAN. Under this bill—this is a very important matter and is going to affect everyone, your constituents as well as mine—this bill is so artfully written that at first you would not see it. It is so artfully written that you will not at first detect it. There is the Diamond Cab, the Bell Cab Co., and one or two other companies who will carry their insurance under their regular business at \$5 a month, but the independents will have to go to the insurance companies and pay \$25 or \$30 a month. Now, you cannot operate in competition with a fleet where they only pay \$5 a month and the individual taxicab owner has to pay \$30 or \$40 a month.

Mr. CHRISTIANSON. Will the gentleman yield?

Mr. PATMAN. Yes; briefly.

Mr. CHRISTIANSON. Could not the independent operators get their insurance through mutual companies?

Mr. PATMAN. Under this bill, if they belong to a fleet, they can carry their own insurance, and the big companies will do that; but remember that the law requires the independent owner to pay two insurance premiums that the big companies do not have to pay. They will have to carry another insurance in order to take care of the excess judgments, because there will be a lot of excess judgments when they are followed by a lot of ambulance chasers.

Mr. BLANTON. Will the gentleman yield?

Mr. PATMAN. Yes.

Mr. BLANTON. The gentleman said that Members of Congress and their constituents from the States are very much interested.

In addition to that, there are 70,000 Government employees here who are vitally interested. They use the taxicabs. Then there are about 40,000 clerks in town, with moderate salaries, who work for commercial concerns who are vitally interested. They all use taxicabs and need low rates. I am thinking of those people.

Mr. TRUAX. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. TRUAX. One of the strongest arguments which the gentleman has made against this bill is the chiseling insurance companies. After you have an accident you are lucky if you get 20 percent of the amount you are entitled to, so they take it away from you both coming and going.

Mr. PATMAN. In reply to the gentleman, as conditions exist now, there is one company that is out \$7,500 a year on claims. They have paid all claims or satisfactorily adjusted them for \$7,500 a year. Under this bill they will have to pay

\$75,000 a year just for premiums alone, and that will include very limited liability, \$500 property damage, and \$2,500 personal injury.

Therefore, the cost to the taxicab users in Washington will be \$1,500,000 more than they had to pay last year, and who will get the benefit of that? These frivolous fraudulent claims and lawsuits and ambulance-chasing lawyers will get it and the insurance companies. That is who will get it. In other words, we will have to pay \$10 in the future for the same protection we have been getting in the past for \$1, and the lawyer gets half of that; so the public will be out \$20 for every \$1 that the injured person will get.

Mr. KOPPLEMANN. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. KOPPLEMANN. I wish to make an observation. In my own city some years ago they had what was known as "jitney" cars. A man or woman could get into a car for a nickel. Those people were driven out of business just as soon as the city council passed a law requiring insurance. Has the gentleman gone into the question of how many of these independent taxicab drivers will be retired in the District and go out of business if this bill is passed?

Mr. PATMAN. Yes. There will be 1,000 families that will need relief very soon. If you pass this bill, you should make some provision to take care of those thousand families that will be needy, whose husbands and fathers are now making a living for them with taxicabs on the streets of the District of Columbia.

Mr. CONNERY. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. CONNERY. The gentleman just mentioned the thousands who are in need. I have been watching the progress of the Committee on the District of Columbia on the different days set aside for them, and with thousands and thousands of old people—

Mr. PATMAN. Now, I just yield for a question about this bill.

Mr. CONNERY. Well, why does not the gentleman bring in the only real bill which the District of Columbia is interested in—the old-age pension bill?

Mr. PATMAN. We have the bill before the House, and it will be considered.

Mr. CONNERY. Not today. That is a bill which the entire District of Columbia is interested in, and that should be taken up and considered and not these little things outside the District of Columbia.

Mr. PATMAN. We cannot cover the entire District of Columbia in this discussion. We only have a very limited time. I appreciate what the gentleman says, and I am in favor of old-age pensions, but we cannot discuss it here now.

Mr. GOSS. Will the gentleman yield for a question?

Mr. PATMAN. I yield.

Mr. GOSS. If this bill passes, then the District of Columbia cabs will be allowed to go into Maryland. If it does not pass, the Maryland cabs can still come into the District of Columbia.

Mr. PATMAN. Now, the gentleman is mistaken about it, I think. If not, I will say that that is a question that was not even raised before the committee, and I sat there 2 or 3 days listening to every witness. Furthermore, I challenged all of them there to name a serious accident where the unfortunate victim was unable to collect damages. One of the lawyers finally called one man by name where an accident happened at Dupont Circle. I looked into it and found it was a Maryland cab that caused the accident, and he would not have come under this law in any event. There are fewer claims than most any place in America I know of.

Mr. GOSS. Residents who live over the line in Chevy Chase, for instance, cannot go home in a taxicab today.

Mr. PATMAN. Well, that is a very poor excuse for passing this bill.

Mr. GOSS. I am asking the gentleman.

Mr. PATMAN. To make people pay a million and a half dollars extra just to let a few people ride a few blocks outside of the District of Columbia I do not think is justified.

They can cross the District line. Not many of them will pay taxicab fare from downtown Washington into Maryland anyway.

Mr. GOSS. There is nothing in this bill that has anything to do with Maryland at all.

Mr. PATMAN. I agree with the gentleman.

Mr. GOSS. I understood it was a question of insurance in Maryland.

Mr. McFARLANE. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. McFARLANE. Who is it who has appeared in Congress advocating this bill? Who was it who appeared before the committee and showed the most interest?

Mr. PATMAN. The safety organizations had representation there. Of course, a part of their funds are contributed by the insurance companies. There are many conscientious people who want this done. Of course, the street-car companies and the bus companies would like to have it done, although they were not visibly in evidence throughout the hearings, but I think you can find the footprints of their activities around because it would be a great benefit to them.

Let me tell you where this money would go. I have told you it would cost the public \$10 in insurance premiums alone to every \$1 the injured person and his lawyer will receive. That is not counting excess liability. Will the insurance companies get that difference? No; they will not get nearly all of it. When you pass a law like this you encourage every kind of a little, frivolous claim. They say, "Oh, it is insured." The cab owners and drivers in many cases will take the side of their passengers and help them get money out of the insurance company. I do not mean they would swear to a lie, but they are not very active and enthusiastic against the insurance companies, because they pay for the insurance. You will have every kind of a little claim imaginable. There will be a multiplicity of lawsuits. The difference will go to ambulance-chasing lawyers and people making fraudulent claims and to some people who have good claims, but most of those will get adjustments in any event.

Mr. MAY. As I understand it, the insurance feature is the important feature of the bill. Those companies owning large fleets of cabs are enabled by small deductions from their gross receipts to obtain what is sometimes called "group policies" and thus carry insurance on all their cars.

Mr. PATMAN. In effect that is true.

Mr. MAY. The smaller man, however, the individual taxicab driver, cannot get one of these cheap group policies but is forced to pay a premium amounting to about \$30 a month.

Mr. PATMAN. That is right. Under this bill the large operators are protected; they do not need to pay large insurance premiums. If they are able to satisfy judgments against them, it will cost them no more in the future than it has in the past. Frequently the large companies are self-insurers.

So far as obtaining settlements from insurance companies is concerned, remember that the insurance companies have had a hundred years more experience in the matter of handling litigants and keeping them out of the courts of justice than any of the taxicab owners have had; and one will have just as much trouble getting a claim adjusted by an insurance company as he would have in collecting from the cab company—in most instances; I will not say all instances.

Mr. BROWN of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. BROWN of Kentucky. The gentleman just stated that the cab drivers would join the passengers in an effort to fleece the insurance companies through fictitious claims.

Mr. PATMAN. No; I did not make that charge.

Mr. BROWN of Kentucky. I am sure the gentleman carries insurance on his splendid automobile. Ought not the gentleman grant the same measure of honesty to the taxicab drivers that he claims for himself?

Mr. PATMAN. It so happens that I do not and have not carried liability insurance for many years, and I am not going to in the future. If one should try to provide by

insurance against everything that might happen, the insurance companies will get all he can earn.

Mr. MAY. And the gentleman has been careful?

Mr. PATMAN. I have been careful.

Mr. BROWN of Kentucky. But could the gentleman pay a judgment arising out of an automobile accident were a judgment returned against him?

Mr. PATMAN. I certainly would take care of a reasonable judgment, but I am not going to have to pay a judgment, because I am a careful driver; and if a person is a careful driver, he can rest easy. If you happen to have an accident, that is unfortunate; you cannot control it; and you ought not to pay for it, anyway.

Mr. BROWN of Kentucky. Then the gentleman thinks there is no such thing as an accident?

Mr. PATMAN. Oh, yes, there are accidents; and if I should happen to have an accident, by not carrying insurance I have saved enough money to pay for quite a considerable loss. I carry life insurance and other insurance, but not automobile liability insurance.

Mr. CARPENTER of Kansas. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. CARPENTER of Kansas. The gentleman believes that instead of spending money for insurance that it is better to spend it for flowers to take to a funeral?

Mr. PATMAN. Of course, the gentleman has the right to make facetious arguments if he wants to. That is just about as good as any argument he has ever made for this bill; that is one of the strongest arguments I have heard for this bill, just such arguments as that; they cannot support the bill by logic and reason, for they have no logic and reason to support the compulsory payment of insurance premiums.

Pass this bill and the insurance companies will call you a great statesman, because it will mean many hundreds of thousands of dollars to the insurance company in the way of premiums. I would not be surprised either if the directors of the street-car companies called you a great statesman if you pass this bill. The Power Trust will also be pleased with your vote.

Mr. PALMISANO. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. PALMISANO. Does the gentleman not frequently ride in taxicabs in the District of Columbia?

Mr. PATMAN. Yes; I ride in taxicabs here.

Mr. PALMISANO. Does not the gentleman know that taxicab drivers violate the speed laws even while they have him as a passenger?

Mr. PATMAN. Well, if they violate the law and they are careless or negligent, or even if they violate the speed law, then, under the bill the House has just passed, they will be required to carry insurance. So why penalize efficiency? Why penalize the careful driver? Why not put a premium on them instead of trying to penalize them? That is what you are doing in this bill. Under the bill we have just passed, if the drivers are negligent, they can be penalized. A driver of 15 years' experience who has had no accident should not be penalized; we should not take this money away from their wives and children and give it to the insurance companies, the street-car companies, the bus companies, and the ambulance-chasing lawyers.

Mr. TRUAX. The Power Trust, too, for they furnish the power to operate the street cars.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. MAY. As a proposition of general law, if a person involved in an accident is not guilty of negligence, no liability attaches to him.

Mr. PATMAN. No; they would not be liable anyway if they were not guilty of negligence.

The gentleman spoke of rattletrap cabs. That is not an argument for this bill. If there are rattletrap cabs, and the gentleman knows of them, it is his duty to report them to the director of traffic and they will be taken off the streets, for there are certain definite requirements with regard to the

vehicles used as taxicabs. Their brakes must be in good condition and they must be good vehicles generally and must not be a source of danger to the public. This is the present law; and if the gentleman did not know it before, I am telling it to him now. If the gentleman knows of any cabs such as he spoke of just a moment ago, it is his duty as a law-abiding citizen, as a law-enforcing citizen, as well as a law-making citizen, to report that fact to the director of traffic and he will immediately take that vehicle off the streets. So that argument is no better than the flower argument.

Mr. TERRY of Arkansas. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. TERRY of Arkansas. I should like to know, as a matter of information, who establishes the rates the taxicabs now charge.

Mr. PATMAN. I am glad the gentleman mentioned that matter. I explained that a while ago; but since the gentleman did not catch it, I will explain it over again for fear others may not have caught it.

If this bill becomes a law, no one else on earth except the cab owners will set the rate. If they set the rate 100, 200, or 500 percent more, the gentleman cannot object. He will have no one to object to, and there will be no one in the District that can change the rates. The rates will remain in effect, and no power on earth will be able to change them. The sky will be the limit.

Mr. TERRY of Arkansas. Who established the 20-cent, 30-cent, 50-cent, and 70-cent rate that they now operate under?

Mr. PATMAN. The independent owners of this city are the ones responsible. Competition set those rates. Whenever you take the independents away, the real competition, you will put the high rates back into effect. Do not allow yourselves to believe that these taxicab owners are starving to death. They are making good money in Washington. One operator told me that, of course, there are drivers who go out and work Saturdays and Sundays and make enough money to last a few days and then lay off. There are cases like that, but they are not all that way. The operators of cabs here are pretty good men. They are safe and careful drivers, and they are supporting their families. If you pass this bill, you will put a thousand of them on the relief rolls of the city.

Mr. TERRY of Arkansas. If there are certain rates established now, and if they have liability insurance, could not the same people raise the rates sufficiently to take care of the premium which the taxicab drivers have to pay?

Mr. PATMAN. Yes; they can do that, but the sky will be the limit. There will be two limits over which you will have no control. You may say to the cab owners: "Why charge 50 and 75 cents for taking me to the Union Station when you used to take me there for 20 or 30 cents?" They will say: "Well, we have to pay two insurance premiums, one to the insurance company of over \$1 a day." In a lot of the cities it is \$1 a day or more, and it will probably be at least that here. You might say: "Why do you not get the rates lowered?" They will say: "We cannot. That is left up to the insurance companies to set the insurance rates." It will be left to the cab owners to set the cab rates. So there are two places that the sky will be the limit and the users of the taxicabs will be paying the bill.

Mr. BLANTON. Will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Texas.

Mr. BLANTON. The 20-cent taxicab rate has forced the street cars to put on what they call their "\$1-a-week ticket." If we pass this bill and let the taxicab rates go up, you will see the \$1 rate taken off by the street-car company, and then we will be at the mercy of the operators of Washington.

Mr. PATMAN. Mr. Speaker, I reserve the remainder of my time.

Permission having been granted, I insert herewith a copy of the minority report filed by me on this bill:

MINORITY VIEWS

The title of this act should read "An act to compel more of the people of Washington to use street cars and busses instead of taxicabs; to further aid and assist insurance companies; to encourage ambulance-chasing lawyers, and to create a cab monopoly in the city of Washington."

This bill is not endorsed by all the members of the Board of Commissioners of the District of Columbia. Two have endorsed it, but one has entered a protest against its passage.

As chairman of the subcommittee that held hearings on this measure for several days, and after we had obtained all the facts it was possible for us to obtain, I am opposed to the measure for the following reasons:

NO EVIL SHOWN JUSTIFYING LAW'S PASSAGE

First. Before any law is enacted, an evil should be shown that will be corrected by its passage. There are about 4,000 cabs operating in Washington. Most of them are in a position to pay any deserving claim at this time. This law would merely cause the injured person to collect from the insurance company that was insuring the cab instead of cab owners. It is true that there are accidents growing out of the operation of cabs, but the testimony before the subcommittee failed to disclose a single instance where any person had been injured or had his property injured, and had been unable to collect damages from the owner of the cab causing it. It must be remembered that the public is now reasonably well protected against loss by reason of negligent operation of cab drivers in Washington.

Therefore, the evil that this law seeks to correct has not been shown sufficiently to justify the passage of this act.

INCREASE COST 10 TIMES

Second. The testimony before the subcommittee discloses that one particular fleet of 300 cabs in the city of Washington in the past years satisfactorily settled all claims. A complete record has been kept, and is available for inspection. It cost this company approximately \$7,500 annually to settle these claims. If this law is passed, that same company will pay \$75,000 next year for insurance that will only partially cover their losses. Similar facts were presented for other taxicab companies.

ADDITIONAL COST OF \$1,500,000 ANNUALLY

I estimate that it will cost the taxi users of the city of Washington an additional million and five hundred thousand dollars the next year if this bill is passed. The insurance premiums on partial coverage will amount to approximately \$1,600,000. Without this law, \$100,000 will be sufficient to pay all losses, presuming that the losses the next year will not be any greater than an average over a period of several years in the past. Therefore the additional cost will be \$1,500,000 annually for this very limited protection.

WILL GRANT CAB MONOPOLY

Third. This bill will grant a cab monopoly. When it is obtained the owners of the street cars and bus companies will probably purchase it either directly or indirectly. It grants a substantial concession to large cab owners. Under the terms of this bill, a cab company in this city that is now operating 1,000 cabs will be able to carry its own insurance for \$5.50 a month, presuming its losses will not be any greater than they have been in the past.

UNEMPLOYMENT WILL BE CAUSED

An independent operator in order to secure the same protection will be required to pay \$30 or \$35 a month, more likely \$35 for this very limited protection. This will place the independent operator at a distinct disadvantage and drive him out of business. There are approximately 1,000 independent operators of taxicabs in the District today. They are making a good living for themselves and families. If this law passes, which cannot be construed by any stretch of the imagination as intending to help more than 100 people, the next year it will place on the charity rolls many of the thousand families of these operators. In fact, it has been suggested that this bill should contain another provision providing for the relief of former cab drivers.

PUBLIC PROTECTED NOW

Fourth. This law is sought by many public-spirited citizens. They are unselfish and patriotic. In racking their brains for plans and ideas in order that they may advocate changes in the existing order of things, they have conscientiously decided that all cab operators should be required to carry additional insurance for the protection of the public. I am afraid they have ignored the fact that the public is already protected in most instances, and the few instances wherein the public is not protected, are not sufficient to justify the million-and-a-half-dollar additional expense to the cab users in Washington over a period of 1 year, and the placing in the bread lines of approximately 1,000 cab owners and their families.

\$20 PAID BY CAB USERS TO EVERY \$1 TO INJURED PERSON

Fifth: It is said that many civic groups of the city desire this legislation. I do not charge that such groups were dictated to by people who have their own interest in mind, but it would be interesting to know just how many of the people in these groups were interested either as owners of stock or employees in the street car and bus companies; the insurance companies and the special-favored cabs. It should also be considered that this law will be a source of big business for many lawyers in Washington. The cab users will pay \$10 insurance under this bill to every \$1 they

would have to pay without it. About one-half of that \$1 goes to the lawyers and courts. Therefore, in the future the cab users will have to pay about \$20 to every \$1 that goes to a deserving person who has been injured or has had his property injured by the negligent operation of cab drivers.

VISITORS WILL BE PROTECTED

In support of this bill the argument is made that 50 percent of the passengers carried by the cabs are visitors. Therefore, the visitors should be well protected by insured cabs; that it is too difficult for visitors to collect from the present cab owners since they are very strict about paying claims to make sure that only deserving claims are paid. If a visitor is injured in a cab that is insured, he will have the same trouble. Insurance companies have a hundred years more experience in scaling claims down; threatening long drawn-out and expensive lawsuits to force low settlements, and in the art of making settlements satisfactory to themselves generally than the cab owners have had. I predict that visitors would have just as much trouble getting money out of insurance companies, and probably more, than they now have out of the cab owners. In either event a lawsuit that is brought would have to be instituted in the District of Columbia.

MULTIPLICITY OF LAWSUITS

It was shown before the subcommittee that under compulsory insurance for taxicabs, the public will pay \$10 in the future for every \$1 they expended for losses in the past. That does not mean that the insurance companies will get this additional \$9. It means that ambulance-chasing lawyers will have more lawsuits. There will be more false, fictitious, and fraudulent claims. Claims that are now passed by as frivolous, will be exaggerated and contentions made for their payments if the cabs are insured, and the insurance companies will have to pay the loss that would not be insisted upon at all if the cab owners had to stand the loss. This bill will cause a multiplicity of lawsuits. The courts of Washington are 4 years behind. It will probably be a talking point for the insurance company that unless the claimant settles, it will take him 4 years to get his money through the courts if he gets it at all.

CAB RATES TO BE INCREASED

Sixth. This bill will cause taxicab rates to be increased. The operators will not receive any more money than they are now receiving. It will all go to the insurance companies, lawyers, and for frivolous claims. About one-fourth of the cabs will be taken off the streets. The other three-fourths will not do as much business because their rates will be high. Let it be remembered that so far as taxicab rates are concerned after this bill passes, the sky will be the limit. The cab users will be dependent upon the owners to set a fair rate. Whatever rate they set the public must accept. There will be no appeal from it, and no board or commission that will have any power on earth to disturb it.

HIGH INSURANCE RATES

Also let it be remembered that the four insurance companies that will write this business will get together and set the insurance rates. They will be plenty high. The sky will be the limit. They will not be annoyed or troubled by a board or commission attempting to interfere with them. Whatever rate the insurance companies fix will have to be accepted by the cab owners. The price paid will be passed on to the public.

Therefore, there will be no limit under this bill as to the amount charged the public for fares, and there will be no limit under the bill as to the amount that will be charged the cab operators for the cab insurance.

Of course, this will only hurt the small cab owners and independent operators. The big companies will carry their own insurance for an insignificant cost.

CAB OPERATORS CAREFUL

Seventh. The cab operators in Washington are usually safe. The testimony disclosed that the percentage of accidents in which taxicabs were involved was no greater than the percentage of accidents wherein private automobiles were involved. Instead of providing compulsory insurance which will encourage a driver to be more careless or negligent, I think that we should pass more drastic rules which will encourage efficiency and safety of operation. If a driver under present laws operates a vehicle while he is under the influence of liquor, or violates the law in any other way, he can have his driver's license taken away from him. This is a great privilege for him to be relieved of. In fact, it is his living, his business, and is a valuable asset. Therefore, cab drivers in Washington are considered more careful than in most places.

UNSAFE EQUIPMENT

It is argued that this law will take off the street defective and insufficient motor cabs. If that is an evil in the city, it can be very quickly remedied without compulsory insurance by merely passing an act which will permit some authority to pass upon the safety and construction of the equipment. That is no reason to charge the taxi users of Washington an extra million and a half a year.

Eighth. Suppose there should be a hundred cases next year for injury to persons or property that will not be satisfactorily settled by reason of the failure of this act. We will presume that 100 people will suffer loss in some way and to some amount. Will it not be better for 100 people to stand this loss themselves rather than set up a cumbersome and expensive machinery in the form of compulsory insurance that will cost the cab users of Washington

one million and a half dollars extra, and possibly throw out of employment a thousand cab operators?

CARELESS OPERATORS SHOULD BE TAKEN OFF STREET

If the law is weak in regard to giving the proper officials of the District power to deny operators who are careless and negligent the right to continue in their business of driving cabs, the law in that regard should be strengthened. I do not think the law is weak in that respect, but if it is, let us change the law.

TAKE CABS OFF, PUT MORE BUSES AND STREET CARS ON

Ninth. Government employees find it difficult to find a place to park their automobiles, and are, therefore, almost compelled to use a public conveyance. Now, if they are denied the privilege of using taxicabs, they will be forced to use street cars or busses. As you take more cabs off the street, you will put more street cars and busses on the streets.

INDEPENDENT OWNERS REASONABLE

Tenth. It should be said for the independent taxicab owners that they expressed a willingness to be required to carry reasonable insurance if the public wants them to, provided, of course, that the public will stand an increased rate to pay for the increased cost of operation, and that they will be permitted to get insurance for the same amount per cab as the large fleet operators. This bill, as I have pointed out, discriminates against the independent operator who owns his own cab and is now making a living for himself and family by its use.

INSURANCE COMPANIES FAIL TO PAY

Eleventh. If the cabs are insured by insurance companies, that does not necessarily mean that the public is properly protected. Such insurance companies have been breaking all over the country, and I doubt that people who have claims against taxicab companies have any more trouble collecting their money from the cab owners than from the insurance companies, as a general proposition. Only a few days ago an insurance company in New York carrying taxicab risk went into the hands of a receiver. It is causing all kinds of confusion and tying up of cabs, since this kind of insurance is not easily obtainable, and the best companies will not carry such a risk. So after all, if the public has got to depend upon "fly-by-night" companies or second-grade companies for insurance protection, they should certainly give consideration to such insecure protection in view of the million and a half dollars annual increase in cab fares, and the great unemployment and distress among cab drivers and their families which will result from the passage of such an act.

KEEPING UP WITH THE JONESES

Twelfth. It is contended that other cities have insurance, and Washington should not be backward in that respect. This is always a weak argument. It is the flimsiest kind of excuse for a raid on the public purse and does not in any way constitute a reason. "Keeping up with the Joneses" is always the poorest kind of an excuse for the passage of any law.

VERY LIMITED LIABILITY

Thirteenth. If this bill is enacted, each cab will be required to carry insurance against damage to person or property. If one person is injured, the insurance company will not be required to pay more than \$2,500. If the judgment is \$20,000, the cab owner will have to take care of the \$17,500. If there is a judgment for property damage for \$1,000, the insurance company will only have to pay \$500 of it, and the cab owner will have to pay the other \$500. The limit of the liability, regardless of the number of people injured, will be \$5,000, with not more than \$2,500 to one person, and if property damage, the limit is \$1,000, with not more than \$500 to one person.

TWO INSURANCE PREMIUMS

Therefore, this so-called "compulsory insurance" is just partial insurance, or for the payment of small claims, and instead of the cab owners paying only one premium like they are doing now, they will have to pay two premiums, one to the insurance company and the other to a fund of their own to protect them against judgments in excess of the insurance company's liability.

I understand Baltimore cab owners pay \$420 annually per cab for limited liability. This is \$35 a month. Considering the fact that insurance will cause juries to give higher verdicts and multiply the lawsuits, I predict that it will cost the cab owners more to carry the risk with the insurance companies than it now costs them to carry the entire risk. So instead of one premium, it will be a double premium. Instead of one light burden on the cab owner, it will be two heavy burdens, all of which will be passed to the people in the form of increased charges which will reduce the number of cabs, cause unemployment, and materially and substantially assist the bus and street-car companies, insurance companies, and ambulance-chasing lawyers.

Notwithstanding the strong support that this measure has from District officials that I have great confidence in, and that it is sponsored by others whom I believe to have always the public interest at heart, I must, for the reasons stated above, file this serious protest against its passage.

Respectfully submitted.

WRIGHT PATMAN.

INTERNATIONAL TECHNICAL COMMITTEE OF AERIAL LEGAL EXPERTS

Mr. BANKHEAD. Will the gentleman from Maryland yield for a moment so that I may submit a rule?

Mr. PALMISANO. I yield to the gentleman from Alabama.

Mr. BANKHEAD, from the Committee on Rules, submitted the following privileged resolution for printing in the RECORD under the rule:

House Resolution 398

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of House Joint Resolution 271, a joint resolution providing for an annual appropriation to meet the quota of the United States toward the expenses of the International Technical Committee of Aerial Legal Experts, and all points of order against said resolution are hereby waived. That after general debate, which shall be confined to the resolution and continue not to exceed 30 minutes, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the resolution shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the resolution for amendment the Committee shall rise and report the resolution to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the resolution and amendments thereto to final passage without intervening motion except one motion to recommit.

LIFE INSURANCE IN DISTRICT OF COLUMBIA

Mr. BANKHEAD, from the Committee on Rules, submitted the following privileged resolution for printing in the RECORD under the rule:

House Resolution 397

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H.R. 9178, a bill to regulate the business of life insurance in the District of Columbia, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and shall continue not to exceed 30 minutes, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the District of Columbia, the bill shall be considered as having been read for amendment and amendments to all parts of the bill shall thereupon be in order. At the conclusion of the consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. DRIVER, from the Committee on Rules, submitted the following privileged resolution for printing in the RECORD under the rule:

House Resolution 392

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H.R. 9391, a bill to provide for a census of unemployment, employment, and occupations to be taken as of November 12, 1934, and for other purposes, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the Chairman and ranking minority member of the Committee on the Census, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion except one motion to recommit.

LOANS FOR INDUSTRIAL PURPOSES

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill, S. 3487, relating to direct loans for industrial purposes for Federal Reserve banks, and for other purposes, with a House amendment, insist upon the House amendment, and consent to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The SPEAKER appointed the following conferees: Messrs. STEAGALL, GOLDSBOROUGH, PRALL, LUCE, and BEEDY.

THE SILVER BILL

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that the Ways and Means Committee may have until midnight tonight to file a report on the silver bill, and that the members of the committee may have the same time within which to file minority views.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

TAXICAB LIABILITY INSURANCE

Mr. PALMISANO. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Speaker, I did not even know that this bill for compulsory liability insurance on taxicabs was on the calendar today. In fact I did not know such a bill was pending. I have no interest in whether the bill passes or not, but I fear the discussion has gone off on a wrong tangent. I do not know, nor do I care, which insurance companies in the District of Columbia write this kind of insurance, except I do know from experience in connection with the liquidation of insurance companies in New York City, that no insurance company ever made a profit writing liability insurance on taxicabs, even though they charged a premium of about \$28 a month. Every such company has failed, I believe. Even the mutual companies, composed of the independent taxi drivers, have failed. The losses are extraordinarily great in this particular risk.

The question resolves itself into whether you are going to protect the public in the District or save the operators this increased burden. I am for the taxicab driver of the District of Columbia. For a long time I have sympathized with his meager earnings, not even a livelihood. As a matter of fact, I do not think he has ever got a square deal in the District of Columbia, and it is a strange occurrence that the opposition to this bill now comes from the same sources that have continually opposed the taxicab driver in his plea for increased fare. Today these same opponents of fair income for the taxi drivers weep over increasing his burden. I always thought that the fares in Washington were ridiculously low and should be 50 or 100 percent higher. The question here, as I stated, is however, whether or not you are going to let the public ride in a common carrier without protection in case of accident. I cannot imagine any modern, progressive, or even a civilized community not requiring liability insurance from a common carrier. Personally, I would not let any man, woman, or child drive his own automobile without carrying liability insurance; surely a common carrier should not be permitted to do so. The automobile owner is the pet of some of our Representatives. No effort to make him cease using the streets as garages has succeeded, and that when garage rent is from \$5 to \$10 per month. Some day a great catastrophe will wake up the people here.

Mr. HOEPEL. Will the gentleman yield?

Mr. O'CONNOR. I yield for a short question.

Mr. HOEPEL. Does the Government carry liability insurance on its own vehicles?

Mr. O'CONNOR. Oh, well, of course the Government is a self-insurer like a lot of other big institutions and businesses. They talk about these independent taxi drivers. These independent taxi drivers may form a mutual insurance company and insure themselves, as they did in New York City and other progressive cities in this country. I cannot understand why in this one instance in America the common carriers should be exempt from carrying liability insurance to take care of the people who ride in their cabs. If the motive today is that you fear we might have to pay 5 or 10 cents more in fare, I do not believe that is a proper motive to stand in the way of protecting the public and the visitors to the District of Columbia. Every other city of any consequence in this Union protects its public and requires compulsory liability insurance to be carried by common carriers, while many States require every driver of an automobile to carry such insurance. Why, Mr. Speaker, just a few minutes ago we passed a bill requiring every owner of an automobile, even you and me, to carry liability insurance, after we have been once fined for negligence. Mark you, if you defeat this bill—as I fear you will—no taxicab driver will be compelled to carry liability insurance if they have a hundred accidents in which they were negligent. Such an inequality should not exist, and I hope this bill will pass.

Mr. Speaker, I yield back the balance of my time.

Mr. PALMISANO. Mr. Speaker, I cannot understand the opposition to this bill. The gentleman from Texas [Mr. PATMAN] asks you why you want to limit the amount to \$2,500 and \$5,000 instead of making it unlimited in order to fully protect the public. Is this any argument that you should not pass this measure when we are trying to give them at least a little protection? Does not the argument the gentleman makes mean that you would put out of business every individual taxicab driver in the District?

The gentleman from Connecticut [Mr. Goss] gave one of the reasons why we should enact this bill into law. In Maryland we have taxicab insurance and in Virginia we have taxicab insurance, and when you prohibit the men here in the District of Columbia from obtaining such insurance it means you are protecting the railway company with its busses that operate in Virginia and Maryland.

I recall when we passed the merger bill for the District, the car companies at that time wanted the taxicab privilege and we refused it, because we were then trying to take care of the individual taxicab drivers. Now, by virtue of the Virginia law as well as by virtue of the Maryland insurance law, you have limited these men to obtaining passengers only within the District proper. I have stood on this floor fighting the so-called "taxi trust" with the gentleman from Texas [Mr. BLANTON]. We have stood on the floor here time and time again fighting the meter system, but this was for the sole reason that it would not benefit the people in the District of Columbia as a whole as we wanted to protect them.

Another argument the gentleman from Texas [Mr. PATMAN] makes is that they now will have to comply with the bill which we just passed. Are you helping the individual taxis? You are not; for the simple reason that the minute they have an accident they are required to have \$5,000 and \$10,000 insurance, whereas under this bill you only require them to obtain insurance of \$2,500 and \$5,000.

Mr. PATMAN. Will the gentleman yield for a correction?

Mr. PALMISANO. All right.

Mr. PATMAN. Does not the gentleman know that if both bills pass they will be doubly penalized if they violate the law? They will have to take out a \$10,000 policy under the first law and also take out whatever insurance is required under the taxicab law.

Mr. PALMISANO. No; I think the Public Utilities Commission will go over the record made by the Congress and realize that we passed two special acts the same day, one to apply to the private owner and one to apply to the common carrier.

[Here the gavel fell.]

NO NECESSITY SHOWN FOR LAW

Mr. PATMAN. Mr. Speaker, the gentleman from New York [Mr. O'CONNOR] says that the insurance companies that carry this insurance are broke and that they cannot make any money out of it, yet the gentleman wants the public protected in unsound insurance companies. It will be just as hard to get money out of unsound companies as it will be out of unsound taxicab owners and operators.

This bill will create a cab monopoly. It will help the street cars and bus companies and the insurance companies and the ambulance-chasing lawyers, and it will cost the people of this city \$1,500,000 extra that we know of, and possibly twice that amount before the first year is out.

There has been no argument made in favor of the bill. There has been no necessity shown for the passage of the law. There is no evil that has been pointed out to you that this law will correct, except, they say, other cities have insurance, why should not Washington have it. This is the poorest and the feeblest and the weakest argument that can ever be made for the passage of any law, and I ask you to vote against the bill.

[Here the gavel fell.]

Mr. PALMISANO. Mr. Speaker, I move the previous question on the bill and amendment thereto to final passage.

Mr. PATMAN. Mr. Speaker, would a motion to strike out the enacting clause now be in order?

The SPEAKER. Such a motion is not now in order.

Mr. PATMAN. Mr. Speaker, is not a motion to strike out the enacting clause a privileged motion?

The SPEAKER. It does not have preference over a motion for the previous question.

Mr. BLANTON. We can vote down the previous question.

The SPEAKER. The question is on ordering the previous question.

The question was taken; and on a division (demanded by Mr. BLANTON) there were—ayes 44, noes 42.

So the previous question was ordered.

The amendment was agreed to.

The bill was ordered to be engrossed, and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. BLANTON) there were—ayes 38, noes 63.

Mr. PALMISANO. Mr. Speaker, I object to the vote on the ground there is not a quorum present.

The SPEAKER. Evidently there is not a quorum present.

The doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 130, nays 188, answered "present" 1, not voting 112, as follows:

[Roll No. 147]

YEAS—130

Allen	Cullen	Kahn	Ramsay
Arens	Darrow	Kelly, Pa.	Ramspeck
Ayers, Mont.	Delaney	Kinzer	Randolph
Bacharach	Dickstein	Kloeb	Ransley
Bacon	Dirksen	Kniffin	Reed, N.Y.
Bakewell	Dunn	Knutson	Relly
Beck	Durgan, Ind.	Kramer	Rich
Beedy	Edmiston	Lambeth	Robinson
Beiter	Englebright	Lehbach	Rogers, Mass.
Berlin	Fish	Lemke	Smith, Va.
Blanchard	Fitzgibbons	Luce	Snell
Bloom	Fitzpatrick	Lundeen	Stubbs
Bolieu	Fletcher	McCarthy	Sweeney
Britten	Gasque	McCormack	Swick
Brown, Ga.	Gavagan	McGugin	Taber
Brown, Ky.	Gifford	Maloney, Conn.	Terry, Ark.
Brunner	Gillette	Marshall	Thom
Burke, Calif.	Goodwin	Martin, Colo.	Thomas
Burke, Nebr.	Goss	Martin, Mass.	Tobey
Carpenter, Kans.	Greenwood	Mead	Treadway
Carter, Wyo.	Guyer	Merritt	Turpin
Chase	Hancock, N.Y.	Millard	Utterback
Chavez	Harlan	Montague	Walter
Christianson	Harter	Moran	Weideman
Church	Hartley	Mott	Whitley
Clark, N.C.	Hess	Murdock	Wigglesworth
Cochran, Mo.	Higgins	O'Connor	Williams
Collins, Calif.	Hill, Knute	Palmisano	Withrow
Condon	Hollister	Peavey	Wolcott
Crosby	Holmes	Peyser	Wolfenden
Crosser, Ohio	Hope	Plumley	Young
Crowther	Jenckes, Ind.	Polk	
Culkin	Johnson, Minn.	Prall	

NAYS—188

Adair	Dear	Greenway	McDuffie
Andrew, Mass.	Deen	Gregory	McFadden
Arnold	De Priest	Griswold	McFarlane
Bankhead	DeRouen	Haines	McGrath
Beam	Dickinson	Hastings	McKeown
Biermann	Dies	Henney	McLeod
Bland	Disney	Hildebrandt	McReynolds
Blanton	Dobbins	Hill, Ala.	McSwain
Boehne	Dockweller	Hill, Samuel B.	Maloney, La.
Buchanan	Dondero	Hoeppel	Mansfield
Buck	Doughton	Howard	Mapes
Burch	Dowell	Huddleston	Martin, Oreg.
Byrns	Doxey	Hughes	May
Cady	Driver	Imhoff	Meeks
Caldwell	Duncan, Mo.	Jacobsen	Miller
Cannon, Mo.	Eagle	Johnson, Okla.	Milligan
Carden, Ky.	Eaton	Johnson, Tex.	Mitchell
Carmichael	Elcher	Johnson, W.Va.	Montet
Carter, Calif.	Elzey, Miss.	Jones	Morehead
Cartwright	Elts, Calif.	Kee	Musselwhite
Cary	Evans	Keller	Nesbit
Castellow	Faddis	Kelly, Ill.	O'Brien
Caviochia	Farley	Kleberg	O'Connell
Clarke, N.Y.	Fernandez	Kocalkowski	Oliver, N.Y.
Coffin	Fiesinger	Kopplemann	Owen
Colden	Flannagan	Lambertson	Parker
Cole	Focht	Lamneck	Parks
Colmer	Ford	Lanham	Parsons
Connery	Frear	Larrabee	Patman
Cooper, Tenn.	Fuller	Lea, Calif.	Pettengill
Cox	Fulmer	Lee, Mo.	Pierce
Cravens	Gambrill	Lehr	Rankin
Cross, Tex.	Gilchrist	Lewis, Colo.	Richards
Crowe	Glover	Lozier	Richardson
Cummings	Goldsborough	McClintic	Robertson

Rogers, N.H.	Sinclair	Thompson, Tex.	Welch
Romjue	Steagall	Thurston	Werner
Ruffin	Strong, Tex.	Tinkham	West, Ohio
Sabath	Sumners, Tex.	Truax	White
Sanders, La.	Sutphin	Turner	Whittington
Sanders, Tex.	Swank	Umstead	Willford
Sandlin	Tarver	Underwood	Wilson
Schaefer	Taylor, S.C.	Vinson, Ga.	Wolverton
Schuetz	Taylor, Tenn.	Vinson, Ky.	Wood, Ga.
Schulte	Terrell, Tex.	Wallgren	Wood, Mo.
Sears	Thomason	Warren	Woodrum
Secrest	Thompson, Ill.	Wearin	Zioncheck

ANSWERED "PRESENT"—1

Lewis, Md.

NOT VOTING—112

Abernethy	Connolly	Jenkins, Ohio	Rudd
Adams	Cooper, Ohio	Kennedy, Md.	Sadowski
Allgood	Corning	Kennedy, N.Y.	Scrugham
Andrews, N.Y.	Crump	Kennedy	Seger
Auf der Heide	Darden	Kerr	Shallenberger
Ayres, Kans.	Dingell	Kurtz	Shannon
Bailey	Ditter	Kvale	Shoemaker
Black	Douglass	Lanzetta	Simpson
Boland	Doutrich	Lesinski	Sirovich
Bolton	Drewry	Lindsay	Sisson
Boylan	Duffey	Lloyd	Smith, Wash.
Brennan	Edmonds	Ludlow	Smith, W.Va.
Brooks	Ellenbogen	McLean	Snyder
Brown, Mich.	Foss	McMillan	Somers, N.Y.
Browning	Foulkes	Marland	Spence
Brumm	Frey	Monaghan, Mont.	Stalker
Buckbee	Gillespie	Moynihan, Ill.	Stokes
Bulwinkle	Granfield	Muldowney	Strong, Pa.
Burnham	Gray	Norton	Studley
Busby	Green	O'Malley	Sullivan
Cannon, Wis.	Griffin	Oliver, Ala.	Taylor, Colo.
Carley, N.Y.	Hamilton	Perkins	Traeger
Carpenter, Nebr.	Hancock, N.C.	Peterson	Wadsworth
Celler	Hart	Powers	Waldron
Chapman	Healey	Rayburn	Weaver
Claiborne	Hoidale	Reece	West, Tex.
Cochran, Pa.	James	Reid, Ill.	Wilcox
Collins, Miss.	Jeffers	Rogers, Okla.	Woodruff

So the bill was refused a passage.

The following pairs were announced:

On the vote:

Mr. Granfield (for) with Mr. Dingell (against).

Until further notice:

Mr. Ayres of Kansas with Mr. Burnham.
 Mr. Douglass with Mr. Ditter.
 Mr. Sullivan with Mr. Powers.
 Mr. Drewry with Mr. Connolly.
 Mr. Rayburn with Mr. Stokes.
 Mr. Corning with Mr. Wadsworth.
 Mr. Shallenberger with Mr. Buckbee.
 Mr. McMillan with Mr. Kurtz.
 Mrs. Norton with Mr. Simpson.
 Mr. Oliver of Alabama with Mr. Doutrich.
 Mr. Hancock of North Carolina with Mr. Bolton.
 Mr. Black with Mr. Traeger.
 Mr. Collins of Mississippi with Mr. Seger.
 Mr. Bulwinkle with Mr. Andrews of New York.
 Mr. Green with Mr. Foss.
 Mr. Boylan with Mr. Brumm.
 Mr. Chapman with Mr. James.
 Mr. Busby with Mr. Moynihan of Illinois.
 Mr. Celler with Mr. Stalker.
 Mr. Griffin with Mr. Cooper of Ohio.
 Mr. Ludlow with Mr. Woodruff.
 Mr. Browning with Mr. Strong of Pennsylvania.
 Mr. Lindsay with Mr. Waldron.
 Mr. Hart with Mr. Edmunds.
 Mr. Allgood with Mr. Perkins.
 Mr. Kerr with Mr. Cochran of Pennsylvania.
 Mr. West of Texas with Mr. Reece.
 Mr. Weaver with Mr. Jenkins of Ohio.
 Mr. Taylor of Colorado with Mr. Reid of Illinois.
 Mr. Smith of West Virginia with Mr. Kvale.
 Mr. Carley of New York with Mr. Shoemaker.
 Mr. Studley with Mr. Frey.
 Mr. Hamilton with Mr. Brennan.
 Mr. Rudd with Mr. Ellenbogen.
 Mr. Wilcox with Mr. Marland.
 Mr. Crump with Mr. Sisson.
 Mr. Peterson with Mr. Darden.
 Mr. Snyder with Mr. Claiborne.
 Mr. Boland with Mr. Gillespie.
 Mr. Spence with Mr. Smith of Washington.
 Mr. Duffey with Mr. Lanzetta.
 Mr. Kennedy of New York with Mr. Monaghan of Montana.
 Mr. Bailey with Mr. Scrugham.
 Mr. Kenney with Mr. Adams.
 Mr. Brown of Michigan with Mr. Healey.
 Mr. Hoidale with Mr. Foulkes.
 Mr. Shannon with Mr. Gray.
 Mr. Brooks with Mr. Auf der Heide.
 Mr. Abernethy with Mr. Cannon of Wisconsin.

Mr. Carpenter of Nebraska with Mr. Lesinski.
 Mr. Somers of New York with Mr. Kennedy of Maryland.
 Mr. Sirovich with Mr. Sadowski.
 Mr. Lloyd with Mr. Jeffers.

The result of the vote was announced as above recorded.

JAMES H. RAND, JR., THE REMINGTON ARMS CO., THE REMINGTON-RAND, INC., THE MUNITIONS TRUST, AND THE TYPEWRITER EMPLOYEES' STRIKE

Mr. WEIDEMAN. Mr. Speaker, I ask unanimous consent that my colleague [Mr. FOULKES] may extend his remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. FOULKES. Mr. Speaker, the strike of employees of the factories of Remington-Rand, Inc., manufacturers of Remington typewriters, serves to call to our attention the antisocial attitude and policies of James H. Rand, Jr., head of the reactionary Committee of the Nation and sponsor of the activities of the well-known Dr. William A. Wirt, Jr., of Gary, Ind.

Officials of the National Labor Board and others familiar with the facts of the strike of Remington employees are well aware of the complaints against Rand. It is commonly known that, in the conferences with representatives of his employees, he sends his lawyer, instead of frankly and candidly meeting the spokesmen for his own workers. It is charged that he uses his attorney to wring as many concessions as possible from the employees and that, while Rand seeks to hold them to these concessions after the conferences, he frequently disregards the promises made by his authorized lawyer and refuses to be bound by them. It is an open secret that the fault lies with Rand and the Remington-Rand Co., not with the employees, and that, while the Remington concern has been wrangling with its workers, the manufacturers of Underwood typewriters just completed an agreement with their employees that was accepted by both sides in an amicable spirit.

It is well to inform ourselves about this man, James H. Rand, Jr. I need not tell you that his "Committee of the Nation" is a plutocratic organization whose aim is to handicap and sabotage any progressive policies of the N.R.A. and to interfere with any governmental action in the interest of the common people. I need not add that Dr. William A. Wirt is a kind of stalking horse for the Steel Trust and other big corporations that want to check the tendency to curb the rapacity of the great monopolies of the country.

It is both amusing and disgusting to look back nearly 2 years and read some of the drivel issuing from James H. Rand, Jr., when he spoke for the Republican Radio League and urged the reelection of Herbert Hoover.

Get this:

By the middle of last July [1931] we began to detect signs of improvement. President Hoover's Reconstruction Finance Corporation and his other constructive measures had stemmed the tide of deflation. He had virtually put an end to bank failures.

After the smoke of politics has blown away I believe that every red-blooded American citizen wants to go ahead with the progress that we are making—progress that President Hoover's reconstruction measures have created and inspired during the past year. * * * America has never done the wrong thing in a crisis like this. I am confident that on November 8 we shall once more rally behind a veteran leader—this time, President Herbert Hoover.

Can you imagine anything more asinine, any arguments that are more senseless, any statements that are more devoid of foundation in fact?

Reading such trash, it is not difficult to understand why Mr. Rand's reactionary mind operates as it does and why he is in a conflict with the employees of his typewriter factories in which practically every informed person says he is dead wrong.

This leads up to the still more significant fact that Rand is part and parcel of the Remington Arms Co., the huge corporation that has piled up fabulous profits from the manufacture and sale of implements of carnage. The output of firearms and ammunition made by the Remington

Arms Co. is one-third of the total production throughout the United States.

In a severe indictment of the Remington Arms Co., the Colt's Patent Firearm Manufacturing Co., and the Bethlehem Steel Co., Senator WILLIAM E. BORAH in a magazine article, headed "The War Makers", says:

During the period of depression, while millions of men and women walk the streets ill-clad and half-starved, while governments have been unable to pay their debts, while educational institutions have been starved of funds, it is a fact that the munitions manufacturers have been realizing profits of 12 and 20 and 30 percent during the entire period of the depression.

After this statement, Senator BORAH hurled this oratorical javelin at the munitions manufacturers:

The thought of making profits out of war, of building fortunes out of the misery and the sorrows of the maimed, the broken in health, and the insane, is revolting enough to anyone who has a spark of human sympathy or a sense of decency. But to foment discord and to spread false and sordid statements, to engender bitterness and suspicions and hate and fear among nations, all that such profits may be made and enlarged, reaches the dead level of human depravity! There is nothing lower in the scale of human avarice * * *. Capone, Dillinger on the highway, are not more heartless and bloodthirsty than the man who builds up armaments in another nation for the purpose of sending his own people to the front that they may furnish the means by which to murder them.

Such biting words apply, of course, to the manufacturers of Remington arms, as well as to other men and concerns accumulating wealth from the traffic in the tools of death and destruction. They are engaged in an indefensible business—a business that is indefensible in private hands, for the Government should manufacture whatever munitions are to be made, instead of allowing this to be done by greedy and grasping corporations.

Knowing the background and connections of James H. Rand, Jr., his behavior is better understood. It is now easy to realize why he is so bitterly denounced by his own employees and by multitudes of others who believe in progress and social justice.

H.R. 8987 AND H.R. 9143

Mrs. JENCKES of Indiana. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

Mr. SPEAKER. Is there objection?

There was no objection.

H.R. 8987

Mrs. JENCKES of Indiana. Mr. Speaker, I desire to address the House of Representatives in behalf of H.R. 8987, Report No. 1446, Union Calendar No. 335, which was introduced by my distinguished colleague, Mrs. MARY T. NORTON, which was an action to establish a Board of Indeterminate Sentence and Parole for the District of Columbia, and to determine its functions and for other purposes, which was approved July 15, 1932.

Briefly summed up this measure permits the authorities at Lorton to transfer hardened criminals or unruly convicts to other Federal prisons. In this manner the objective of Lorton can be maintained.

At this time I want to pay tribute to Capt. M. M. Barnard, General Superintendent of Penal Institutions, who has for many years served the Federal Government in the District of Columbia loyally and efficiently in developing character and honor among the inmates who are serving for offenses against society.

I believe that the objectives and ideals of the Lorton institution should have the full and sympathetic support of the Congress, and I hope that my colleagues will enact this measure without delay, as it will increase the efficiency of one of America's penal institutions.

H.R. 9143

Mr. Speaker, I desire to address the House of Representatives on a subject which must be dear to the hearts of every American mother and father.

Scattered throughout the United States there are 12,000 American boys and girls whose fathers were killed in action or died from wounds or other causes during the World War. The compensation paid by the Government is only \$10 a

month for one child, and \$6 for each additional child when there is more than one in a family. Then, too, the payment terminated, under the original World War Veterans' Act, when the child reached his or her eighteenth birthday.

Without assistance, other than that received from the Federal Government, these children will be forced to quit school at an early age and go to work to help support themselves and their widowed mothers, and also, in many cases, their younger brothers and sisters. They would thus begin the battle for life uneducated and untrained—handicapped because of the sacrifice their fathers made in defense of their country.

Realizing the plight of these fatherless boys and girls, Maj. Gen. P. C. Harris, The Adjutant General of the United States Army during and after the World War, brought the matter to the attention of the American Legion and American Legion Auxiliary, and both have made the education of war orphans one of their major activities.

These two patriotic organizations sponsored, and Congress in May 1928, passed an act amending the World War Veterans' Act so as to authorize the continuance of the payment of compensation after the age of 18 "to any child who is or may hereafter be pursuing a course of instruction at a school, college, academy, seminary, technical institution, or university."

The legislatures of the several States were then asked to supplement or match the Government compensation by establishing scholarships for war orphans at educational and training institutions of secondary and college grades. To date 25 States have done this, and it is confidently expected that several more will pass scholarship acts when their legislatures meet in regular session next year, including, I hope, my own State of Indiana. In most of the States, the scholarships amount to \$150 a year for each child. Five States provide \$200 a year, 2 States provide \$250 a year, and 1, \$30 a month.

The purpose of H.R. 9143, introduced by my distinguished colleague [Mrs. MARY T. NORTON] is to give the District of Columbia war orphans the same opportunities to obtain an education which they would enjoy if they made their homes in nearby Maryland or Virginia or any of the 25 States which have passed scholarship acts.

There is special need for these scholarships in the case of boys seeking appointments to West Point and Annapolis under the act of June 8, 1926, which increases the number of cadets at the United States Military Academy and the number of midshipmen at the Naval Academy by 40 at each institution. Without such assistance few of these boys are able to attend preparatory schools or secure the services of tutors, and as a result the number of failures in the entrance examinations each year is very great. Appointments under the act of June 8, 1926, are made by the President from among the sons of those who were killed in action or died during the World War.

Briefly, this bill authorizes an appropriation of \$3,600 a year until 1943, when the youngest of the war orphans will reach his or her twenty-second birthday, with a proviso limiting the amount to be paid for any one child in any one year to \$200.

In addition to continuance of Government compensation after the age of 18 and State aid, which I have explained, the American Legion and its auxiliary have secured the hearty cooperation of school and college authorities in nearly all of the States. Many of our universities and colleges also secondary and preparatory schools now offer free tuition or scholarships to war orphan students.

It is not proposed to encourage all of these boys and girls to go to college. For most of them a high-school education is all that will be required in their life's work. The needs of each will be carefully studied and help extended only to those that can be benefited by further instruction and training.

This measure appeals particularly to me. My first and everpresent concern as a mother is the education of children. Instruction and training contemplated in H.R. 9143 will not only increase earning capacities of fatherless boys

and girls of our American veterans, but will make them better and more useful citizens.

I feel the American people will applaud the passage of H.R. 9143 because it will prove to our American veterans that our people are keeping faith with them. We all remember the promises we made to our veterans when we sent them away to defend our Nation, and to those veterans who have passed to the Great Beyond and who have left dependent children, we owe an everlasting obligation. In a small way, H.R. 9143 will indicate that we still recognize the great obligation the American people owe to our American veterans.

The Government compensation is barely sufficient to provide the necessities of life even when the child is living at home with his mother. When the time comes to send the boy or girl away to college, special assistance is necessary. This bill will provide such assistance for the 109 war orphans residing in the District of Columbia.

I appeal to every Member of the Congress, and to every mother, to support this measure and become interested in these orphans of our American veterans who gave their all to preserve our American institutions. We must keep faith with our veterans by protecting their orphans. I thank you.

BRIEF REVIEW OF MY SERVICE RECORD

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. McSWAIN. Mr. Speaker, I hope my colleagues will not think me immodest to make a very short synopsis or review of some of the principal measures and bills that I have either originally suggested or heartily cooperated in seeking to enact into permanent law during my service in Congress.

SUPPRESS PROFITTEERING

When I entered Congress March 4, 1921, the whole country was still shocked and shamed by the conscienceless profiteering that had gone on in the country during the World War, and how nearly 30,000 people had made and salted away millions of dollars and had thus become millionaires overnight, in selling munitions and supplies to the Government and our Allies, and also in selling the necessities of life to our own civil population, all at prices which finally reached nearly 300 percent above the normal pre-war price. I was resolved to do everything in my power to prevent the repetition of such an outrage. The testimony showed that but for this tremendous and unjustifiable profiteering, the war debt would not have been more than one-half of what it actually was. Therefore, I introduced a resolution in December 1922 to set up a commission to study and advise how this conscienceless profiteering might be prevented in any future war, and continued to fight for its adoption until finally such a resolution was adopted, and such a commission created, and I was appointed a member of it and took an active part in its deliberations, and especially in the preparation of its final report. This study and report will be of very great value in guiding Congress and the Government in any future war.

MUSCLE SHOALS AND THE POWER TRUST

When I became a member of the Committee on Military Affairs the Muscle Shoals bill was pending, and I immediately entered into an active fight to preserve that great natural source of power as well as other power sites in the Tennessee Valley and its tributaries for the benefit of the people not only of the Tennessee Valley but of the whole country, and especially of the surrounding country. With Senator NORRIS and the small group of Senators fighting on the Senate side and with a small group fighting on the House side, I joined enthusiastically in the long fight to prevent these great sources of power from falling into the hands of the Power Trust. It was not until Franklin D. Roosevelt became President that we had any help in the White House, and under his inspiring leadership we enacted legislation that marks an epoch in the development of the whole country and sets up a yardstick for the measurement of

power and light rates everywhere, and gives us a practical example of what rural electrification will mean to the people upon the farm and in small towns and villages. Consequently, I gladly cooperated with the effort to conserve to the people of the State of South Carolina the power possibilities in the Santee-Cooper development scheme. In like manner I have assisted in the effort of Greenwood County to set up a power plant on Saluda River. Other projects in this district and the State have received any aid that I could extend.

I hope that the cities, counties, and the State of South Carolina will conserve to themselves wherever possible the undeveloped water-power resources of our State. Other uses of power and other markets for power can and should be developed in addition to those now being preoccupied by the private power companies. The bill, which I largely drew and which passed the House of Representatives, setting up the Tennessee Valley Authority, recognized that the existing rates of private power companies should not be wantonly and unnecessarily destroyed. But if there must be a conflict between the public interests and the private profit-making company, then the public interest should and must prevail. I am glad to note that there is so far much cooperation and mutual helpfulness between the Tennessee Valley Authority and the private companies operating in that territory. I hope and believe that power and light rates everywhere will be gradually reduced, without detriment to innocent stockholders and to the great advantage and benefit of the industrial and private users of power.

GUARANTEE OF BANK DEPOSITS

I was one among the first Members of Congress to advocate and to urge the enactment into law of provisions guaranteeing to depositors in national banks and in State banks that may be members of the Federal Reserve System and may choose to join in the Federal Deposit Guarantee Corporation, so that people may have complete confidence in the banks and take their money to the banks and leave it there until needed, with Government assurance that when they do need it the money will be there. This is the best thing for the banks themselves, the best thing for the people themselves, the best way to revive business and to restore prosperity and to supply the people with the necessary capital to start new industries, to increase existing manufacturing plants, to build or to repair homes, and to start the wheels of business turning everywhere and keep them turning.

PUBLIC GAMBLING WITH THE PEOPLE'S MONEY IN THE PRODUCTS OF THE PEOPLE'S LABOR

It has long been manifest to me that one of the chief causes of fluctuations in business, and therefore one of the causes in bringing on depressions, is the reckless gambling on stock exchanges and commodity exchanges, all operated on small margins, without any intention of ever taking and paying for the stocks or cotton or wheat pretended to be bought or sold, but merely for the purpose of gambling upon the prospects of a rise or a fall in the prices of these things, which rise and fall is itself most largely influenced by this very whirlpool of speculation.

When the bottom fell out of things in October 1929, billions of dollars had been drawn from every nook and corner of the Nation into Wall Street to carry on the most stupendous orgy of business gambling that the world has ever known, not even excepting ancient Rome or modern Paris. I therefore vigorously cooperated in enacting legislation to stop such conduct in the future, which heretofore has caused wide-spread unemployment, has destroyed billions of property values, has wrecked millions of homes, and caused distress and suffering indescribable.

AID TO SMALL INDUSTRIES

Even during the Hoover administration I sought by appropriate bills to amend the law creating R.F.C. so that any person, firm, or corporation conducting a small industry could get help so as to enlarge its business and employ more laborers or to save itself from having to close down and thus discharging laborers. I therefore enthusiastically supported the Wagner-Garner bill conferring this very

power upon the R.F.C., but the bill was vetoed by President Hoover, and all we could do was to protest. I am happy to say, however, that legislation is now in progress and soon will be approved doing this very thing for small industries, and thus insuring them against closing up where private bankers will not finance them. I have advocated keeping the people employed in the normal channels of industry. Every measure that would cause a dislocation and confusion in our existing economic structure is unfortunate and harmful to the people who must live by the labor of their hands.

Therefore my slogan has been, "Better a bad loan than a worse dole." I mean, better take a chance on not being able to collect every loan to small industries, which will keep people employed, rather than to let the industry close down and the people be fed by either a direct dole or by some subterfuge, which disorganizes the people, keeps them in a state of confusion and uncertainty, breaks up homes, and yet costs the Government more money than the total amount of bad loans to industry might ever be.

THE MONEY PROBLEM

The money question is very complicated and takes long and undivided study to get a clear idea of the influence of the volume of money upon the business of the country. This study I have been giving to the money question in a general way all my life, and especially for the last 5 years, and it is therefore not strange that I was the first Member of Congress to introduce a bill to prohibit the exportation of gold from America. The necessary effect of this would be to suspend gold payments in the markets of the world, and therefore we would be off the gold standard. We all remember that American business did not begin to breathe easily, and the produce of American farms, such as cotton, wheat, meat, and other products, did not begin to rise until after we had gone off the gold standard.

Furthermore, I early advocated and introduced legislation looking to the use of silver as a monetary base along with gold, and it is now gratifying to realize that both gold and silver will henceforth be used as a basis for currency to encourage and facilitate commerce and to raise the prices of crops and of commodities generally, and thereby to raise the price of wages. Money itself is not a commodity but is only a medium of exchange and a measure of value between different articles. The marvelous progress made toward restoration in America is largely due to the courageous steps taken by the Congress and the President in reforming our monetary system. Back of the mere gold and silver as the basis for Government credit is the total wealth in property of all kinds in America, and in addition to that the earning power of the people. The money problem is not yet entirely solved by the existing arrangement, but we are making rapid progress, and it will not be many years before America will again lead all the world in making progress toward social justice, humane institutions, and a fair and equal opportunity for every person to earn an honest living, with a little margin to lay aside for the rainy day and old age, so that the wages received or the proceeds of crops sold may be a more just and fair measure of the value of the services rendered and of the crops produced.

STOP FORECLOSURE OF MORTGAGES

I early introduced legislation seeking to give Federal judges power to put into effect a moratorium on the foreclosure of mortgages, depending upon the circumstances in each individual case. I have earnestly advocated and assisted in enacting into law provision for making loans on private homes at low rates of interest, including both farm homes and city homes. I am now urging that loans be made on business property in order to pay back taxes and insurance, and that loans be made available for repairs, improvements, and replacements on all homes, wherever situated, and upon every class of business property. The home is the foundation of American civilization, and the work of building and repairing and replacing homes and business houses will go a long way toward absorbing the millions of unemployed.

AID TO SCHOOLS, COLLEGES, AND HOSPITALS

I have introduced legislation and supported every form of legislation looking to granting financial assistance upon adequate security to schools, colleges, and hospitals in order that they may raise cash to continue to operate from their endowment funds which are usually invested in slow assets. In like manner have I supported earnestly at every opportunity the granting of Federal aid to our public schools in which the masses of children find their only opportunity for education, and I feel quite sure that before the present Congress adjourns legislation now upon the way to this effect will become law, and fathers and mothers, trustees and teachers, and the friends of education everywhere, will be encouraged by the presence of Federal assistance. This will in no way subject local school administration to Federal control. It merely supplies necessary funds.

FORERUNNER OF RECONSTRUCTION FINANCE CORPORATION

Early in the depression, during the Hoover administration, I prepared, introduced, and sponsored legislation to create a body proposed to be called the "emergency finance corporation", with powers to lend money to States and subdivisions of States, including school districts, to construct public buildings of all kinds, to administer to the relief of the unemployed, to see that no man, woman, or child should suffer for food, clothing, or shelter, and to lend to any person, firm, or corporation upon adequate security, when such loan would promise to increase the number of persons employed, or to prevent the curtailment of employment and production. This was the germ of the idea on which the Reconstruction Finance Corporation was based. I do not claim to have been the only person to advocate such organization, nor do I claim that the President and the Congress accepted my idea in toto, but I do feel justified in saying that I, too, was looking ahead, along with others, and that I, too, thus gave proof of my deep concern for the welfare of our country to relieve the distress of unemployment and to prevent suffering, freezing, and starvation.

PERMANENT NATION-WIDE PLANNING BOARD

For several years I have been advocating, as expressed in a bill formulated and introduced by me in the two last Congresses, the setting up of a permanent board to consist of 25 persons, serving without pay except actual traveling expenses, and to be appointed from all sections of the country and to represent all interests, groups, industries, trades, callings, and professions, and to study continuously and hold quarterly or semiannual meetings for conference and exchange of ideas to report yearly to the President and to the Congress their recommendations for stabilizing the economic conditions of the country, preventing unemployment and generally raising the standard of living for agricultural, industrial, and all wage-earning groups and classes of our citizens. Such a nonpartisan board, representing a cross-section of all of our citizenship, must be one of the final outgrowths of the National Recovery Administration. Such a board would give useful advice for the proper measures to smooth the way for all of our people to return from emergency conditions and emergency legislation to a natural, normal state of economic affairs. The members of such board should be divorced from politics and be excluded from seeking office. Such men would render a service to the Nation entitling them to the undying gratitude of our people.

FEDERAL AID TO PUBLIC ROADS

For several years I have been urging a departure by way of advance from the original program of Federal aid to main thoroughfares, such as interstate highways, so that Federal aid may be granted and Federal money used in grading and hard-surfacing every cross-country, connecting, and feeder road over which the mail is carried by a rural mail carrier.

FUNDS FOR BUILDING CONSTRUCTION

In May 1932 I began a movement to amend the Reconstruction Finance Corporation Act so that it might lend money to States, cities, counties, and towns, and also school districts at 2 percent interest for a period of 10 years or more, to construct roads, streets, public buildings, city halls,

schoolhouses, market houses, sewerage systems, lighting and water plants, so as to give work to the unemployed, and at the same time make needed and lasting improvements that the people desire and could use to advantage. Certainly, to a limited extent at least, this plan was fundamental to and suggestive of the Public Works Administration, which itself was bottomed upon the Garner-Wagner bill which President Hoover vetoed.

FARM DIVERSIFICATION AND FARM PROGRESS

This has been a matter of deepest study and effort on my part. I have cooperated energetically in every movement reasonably promising to help the condition of the farming people. Long ago I proposed very liberal Federal aid toward setting up demonstration counties in different parts of every State, such demonstration to include farm marketing centers, which in turn would include canneries, creameries, refrigerator plants, and egg- and poultry-assembling plants so as to furnish to the farmer a market at the highest possible prices for any kind of vegetables, fruits, milk, corn, poultry, cattle, or other commodity any day in the year. I submit that before the cotton farmers of the South can become prosperous, as they deserve to be, they must have the opportunity to market not only cotton and cottonseed but all of these other things mentioned above which can be produced profitably in connection with cotton, without diminishing the amount of cotton produced, and enabling the farmer to produce his cotton at less cost per pound. In this connection I have planned not only for domestic fertilizers but also for the manufacture and distribution at low prices of commercial fertilizers. This program for the uplifting and betterment of the farm and of the farm population would call for and bring about the distribution of electric power to drive the farm machinery, to pump the water, to light the buildings, and generally to make farm life more attractive, so that our more talented boys and girls may be induced to set the example of leadership among the rural population.

NATIONAL DEFENSE

All who truly know war hate it. Because we hate disease, we have doctors, nurses, and medicines. About 75 percent of our ordinary Federal Budget goes to pay obligations of past wars, and preparations for future wars. We thought our part in the World War would end all war, set up a real League of Nations, and "make the world safe for democracy" for all time. But the other nations of the earth are boiling with unrest, arming to the teeth, putting ambitious dictators in power, and at any day may rush at each other in ships, airplanes, trains, and auto trucks, and if they do, horror, destruction, and death indescribable will come to men, women, and children in the great cities and industrial centers. Bombs filled with explosives and poisonous gases will rain from the sky. God help America escape such a fate.

OUR DEFENSE POLICY

With our varied climate and resources, with oceans on each side, and friendly peoples to the north and south, we can and should set the world a true example of preparing purely for defense against invasion of our land and outlying possessions. We have paid our debt of gratitude to France, and helped to rescue our British friends. If, from now on, they, and other European nations, do not or will not pursue peace, or merely defend themselves, it is just too bad. Remember, they owe us \$10,000,000,000, and interest for 17 years.

If other nations just will fight, we can and should remain at home and defend our own shores and rights. We should never allow America to be drawn away from the home base and forced to send armies across the sea to fight. That is why we have a great Navy and the Panama Canal to transfer the fleet from ocean to ocean. That is why we need a great air force. With air-defense bases east and west, with ample stores of air bombs, with a large number of swift and powerful fighting planes, and with a large reserve of trained pilots, we can destroy enemy ships and transports before they ever reach our shores. That is why I have for 12 years insisted on increasing the strength and efficiency of our Air Corps. I was joint author of the Air Corps Act of

1926 and have now pending legislation to amend the same, to increase its power and striking force, to strengthen the Air Reserves, to create a junior air corps reserve, and to aid and encourage young civilians to learn to fly, to own planes, and to become trained to defend our people against invasion.

ADEQUATE GROUND TROOPS

The foregoing considerations show why we do not need the large standing armies that burden some other nations. We need a relatively small, but highly efficient, standing army to help train our volunteer National Guard and patriotic Organized Reserves.

If the Navy and air defense force fail to meet and to defeat any invading forces out at sea, and fail to drive them back or sink them, then we can call sufficient manpower to fill up the Regular Army, the National Guard, and the Reserve divisions, to prevent actual landing or fatal inland invasion. This is why I have striven to secure a more efficient Regular Army, and have sponsored legislation to make the National Guard and Organized Reserves that "well-regulated militia" that George Washington planned and pleaded for.

VETERANS' RELIEF

Every President and lesser statesman from Washington to Roosevelt has urged adequate financial aid to ex-soldiers suffering disabilities caused by military service during war. Every nation in the world recognizes this obligation. I stand flat-footed upon this same proposition. But arguments and disputes arise over when and what disabilities are caused by military service. There is plenty of room here for honest differences of opinion. Here also doctors differ. But I do not approve of veterans' blocs or any other sort of blocs in Congress. Blocs are dangerous to free government, threaten to destroy democracy, to bring on dictatorships, and finally war, and then bathe again the world in blood. I hold a Congressman should represent with free and open mind every lawful interest in his district, and his efforts should be directed to the highest welfare of all the people, however poor, lowly, or humble, and should especially look far into the future, so as to plan for the safety, prosperity, and happiness of our children and grandchildren.

ECONOMY IN GOVERNMENT

I know personally the burdens of taxation. I see the homes of my relatives and friends sold for inability to pay taxes. Since coming to Congress I have never failed to vote for wise economy. I have fought measures before every committee that threatened waste, extravagance, and needless expense. Measures first suggested and fought for by me, especially in the manner of purchasing aircraft, have saved the taxpayers millions of dollars. So, in the selling and buying of Army lands. In one instance only, \$280,000 was saved. In many other instances, other very substantial sums were saved. Without practicing a pennywise and pound-foolish policy, I have always advocated and voted for wise economy.

PROGRESSIVE POLICIES PURSUED

Though taught and trained in the political philosophy of Jefferson and Calhoun, I realize that science and invention, unknown to and undreamed of by them, have brought new conditions, new evils, new dangers, all demanding new treatment by governments, especially our Federal Government. In terms of time and distance, the whole United States from the Atlantic to the Pacific, is not as large today as South Carolina was during the American Revolution. These new conditions demand the new deal of Franklin D. Roosevelt and the Democratic Party.

I have long been studying plans for the decentralization of industry, as by subsistence homesteads, back-to-the-farm plans and movements, diversification of agriculture, conserving our hillside lands by soil-erosion control, converting our eroded, waste, submarginal lands into national forest reserves, plans to build farm marketing centers, including creameries, canneries, cold storage, assembling plants to ship poultry, eggs, meats, grains, nuts, and all other forms of farm produce. These will in turn demand distribution of electric power to farms and small villages, public ownership

of water power sites now undeveloped, thus affording cheaper power and light rates, all on long-time financing at low rates of interest, and finally bringing freedom from debt, financial independence, prosperity and a chance to be happy and contented to all our people.

WHAT MEANS THE NEW DEAL?

Of course it is not a "destructive revolution", but a constructive plan for the people, all the people, not only a select group representing great financial interests as did Hoover, Mellon, and Mills, to have a real voice in government, and a fair and just share of what the people by their labor produce, whether they labor in field, factory, mine, railroad, office, store, home, or elsewhere. All honest, useful labor should have a just reward. It will never do to turn back. The old deal would now be intolerable. Of course, many changes must be made in these emergency administrations. But the basic idea of the new deal is the same as the American Declaration of Independence.

MILITARY INSTRUCTION IN AMERICAN COLLEGES AND UNIVERSITIES

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. McSWAIN. Mr. Speaker, with the assistance of my good friend, Maj. William M. Connor of the Department of the Judge Advocate General of the United States Army, I have gathered some facts and assembled them that have proved very interesting to me, and may be useful to many other Members of Congress as well as readers of the CONGRESSIONAL RECORD. Major Connor is from my native State of South Carolina, is a graduate of Wofford College, at Spartanburg, and a member of the South Carolina bar. It gives me great pleasure to acknowledge the assistance he has rendered me in compiling the facts enumerated in these remarks.

Mr. Speaker, I am a firm believer in a safe and sane system of national defense. I believe that the American and Republican and Democratic system of national defense is to have the smallest practicable Regular Army as a nucleus for mobilization and as a training agency in peace. But the larger number of people throughout the country that have military instruction and are capable therefore in the event of a national emergency of becoming leaders, either as commissioned officers or as noncommissioned officers, the better state of preparedness will the country enjoy. History shows that men may attain and keep reasonably abreast with the progress of the military art, even though the greater part of their time is devoted to their private business. If they love the military profession as a patriotic exercise, and continually keep abreast by reading the latest books and magazine articles, and carry on the courses of instruction offered to the Organized Reserves, then we may expect a very large percentage of these civilian officers to be most efficient in the unhappy event of war.

Consequently, Mr. Speaker, the combination between an education for civilian pursuits and training in the fundamentals of the military art is entirely in keeping with the traditions and best thought of America as to what is a safe and sane system of defense. For that reason I thought a study and a compilation of the results of that study as to the extent of these concurrent and coexistent courses of study in our various universities and colleges would be enlightening and helpful.

MILITARY INSTRUCTION IN EDUCATIONAL INSTITUTIONS

Although the act of Congress, entitled "An act donating public lands to the several States and Territories which may provide colleges for the benefit of agriculture and the mechanic arts", approved July 2, 1862, did provide widespread Government aid, in the form of moneys derived from sale of public lands of the United States, for a class of State educational institutions, known as "land-grant colleges", offering instruction under State control in agriculture, the mechanic arts, and military tactics, it remains a fact that military instruction in educational institutions—State and

private—was first made a matter of War Department and Army concern by the provisions of the Army Reorganization Act of July 28, 1866, at the close of the Civil War. The latter act authorized the President, "for the purpose of promoting knowledge of military science among the young men of the United States", to detail an Army officer to serve as president, superintendent, or professor of any college or university having a plant capacity for at least 150 male students and applying for such detail. The act also imposed a limitation of 20 officers at any time as the maximum that might be so detailed throughout the United States, and provided for apportionment of this number as nearly as practicable according to population. By joint resolution of May 4, 1870, this authority was enlarged to permit the loan by the Secretary of War of Government small arms and field artillery pieces available and needed for military instruction at any such college or university, upon approval of bond for safe-keeping and return of the same when required.

By act of July 5, 1876, this authority was again enlarged to make possible the detail to such educational institutions of not exceeding 30 Army officers at any time and as thus enlarged was embodied in section 1225 of the Revised Statutes of 1878. Another provision of the Revised Statutes, section 1260, expressly made eligible for such details retired officers applying for the same. Amendatory legislation enacted at various times during the succeeding 36 years greatly amplified this authority by providing for the detail of not exceeding 100 Army and 10 Navy officers to military-instruction duty in such educational institutions, including military institutes and academies, the land-grant colleges mentioned above to be preferred in the apportionment of this limited number; for the detail, with their consent, of such number of Army retired officers and noncommissioned officers as might be requested by schools throughout the United States as instructors in military drill and tactics; and for limited loan issues and allowances of available ordnance and ordnance stores to such educational institutions. All of this legislation became inoperative with the enactment of related provisions of a most comprehensive scope and sweep in the National Defense Act of June 3, 1916, as amended by that of June 4, 1920, which provided for a complete and coordinated Government system of military instruction in educational institutions throughout the United States as part of a statute-fixed scheme of national defense, and superseded prior legislation on the entire subject of Federal provision for military instruction in educational institutions, as declared by the Attorney General of the United States in an opinion rendered March 2, 1927.

It is interesting to note that during the last 12 fiscal years of operation of the legislation thus superseded, a period which terminated with the year 1916, there were not less than 324,000 students who received some military instruction at educational institutions to which Army officers were detailed to instructional work in military science and tactics, and of this number not less than 44,000 graduated; the report for the last-mentioned year showing 35,091 students under military instruction at 106 institutions wherein 63 active and 32 retired Army officers were serving as professors of military science and tactics and wherefrom 2,474 military students graduated. In such military instruction infantry drill and training predominated, and the main object thereof, as stated in War Department orders, was to qualify graduates completing military-training courses "to be company officers of Infantry, volunteers, or militia."

The new military-instruction system ordained by the National Defense Act of 1916, featured by Reserve Officers' Training Corps units organized in educational institutions throughout the country, was put in operation by the Reserve Officers' Training Corps Regulations of the War Department published on September 20, 1916—General Orders, No. 49. This system has for its primary object the development of a supply source of reserve officers qualified for active service in the military forces of the United States in time of national emergency. Such was the progress made in Reserve Officers' Training Corps organization that during the fiscal year 1918 the new system was in operation in 119 educational

institutions wherein military instruction was given by 113 Army officers.

Of this total of participating institutions, 102 universities, colleges, and essentially military schools specially designated by the Secretary of War organized senior division units of the Reserve Officers' Training Corps, in which 36,000 students were enrolled and from which 3,364 were graduated in June 1918. For the fiscal year of its organization, 1917, and following fiscal year, Congress, respectively, appropriated \$1,215,000 and \$4,170,000 in the Army Appropriation Act of May 12, 1917, for expenses in connection with maintenance and operation of the Reserve Officers' Training Corps.

The final War Department program of Army intervention in the World War called for 80 divisions in France and 18 in the United States by June 30, 1919. The magnitude and urgency of this program, which involved special training of officers for such military forces composed of approximately 4,800,000 men, necessitated the establishment in all of the larger institutions in the United States, in the fall of 1918, of a corps of the United States Army, named the "Students' Army Training Corps", provided for in War Department Special Regulations No. 103 of that year, issued under authority of the Selective Service Act of May 18, 1917. The senior division units of the Reserve Officers' Training Corps then established in 102 universities, colleges, and essentially military schools were replaced by units of the Students' Army Training Corps, maintained during the remainder of the World War emergency period. This corps, established as stated in the cited regulations—"to utilize effectively the plant, equipment, and organization of the colleges for selecting and training officer candidates and technical experts for service in the existing emergency"—was recruited by voluntary induction of registrants under the selective-service regulations, and on November 1, 1918, numbered about 170,000 men.

Such registrants, upon admission to the Students' Army Training Corps, became soldiers in the Army of the United States, subject to military law and military discipline at all times, as declared in the regulations. The unit organization was that of Infantry under the Tables of Organization, and the fundamental infantry training common to all branches of the service was prescribed for the corps as a whole. This war-time experiment in military education and training had Nation-wide support of college authorities and was made in about 600 colleges and universities throughout the United States.

The armistice of November 11, 1918, put an end to the necessity for the Students' Army Training Corps, which during the remainder of the academic and fiscal year 1919 was demobilized as part of the emergency military establishment, giving way to the Reserve Officers' Training Corps, reconstituted within that period in 191 collegiate and 128 secondary institutions, with a total enrollment of more than 90,000 members, and officer personnel of 635 detailed to instructional work, with 599 noncommissioned officer assistants. Authority to supervise, direct, and control affairs relating to the reconstituted Reserve Officers' Training Corps was lodged in a Reserve Officers' Training Corps branch of the War Plans Division of the War Department General Staff, organized for the purpose on August 29, 1919, and having like authority over military training conducted with authorized Army aid, in any form, in other educational institutions. For the support of the Reserve Officers' Training Corps for the fiscal year following that of its reconstitution the sum of \$4,000,000 was appropriated.

In the amendatory National Defense Act of June 4, 1920, the provisions of the National Defense Act of June 3, 1916, relating to the Reserve Officers' Training Corps and military instruction in educational institutions were reenacted with certain amendments respecting organization, training, and administration of the corps. By such legislation the corps is made to consist of senior division units authorized for universities and colleges awarding degrees, land-grant colleges, and essentially military schools of higher order found qualified, and junior division units for all other public and private educational institutions. The President is authorized to pre-

scribe the number, strength, and kind of units composing each division and the Secretary of War the standard courses of theoretical and practical military training for such units based on a minimum training requirement of a 2-year course averaging at least 3 hours per week. Camps for further practical instruction of members of the Reserve Officers' Training Corps are authorized for a maximum period of 6 weeks in any one year, which may be exceeded in time of actual or threatened hostilities. Membership in the Reserve Officers' Training Corps is restricted to physically fit students not less than 14 years of age who are citizens of the United States. Senior division graduates completing advanced course camp training and junior division graduates completing senior division courses and other prescribed training, of not less than 21 years of age, may be appointed by the President alone as reserve officers of the Army of the United States upon taking the obligation to serve in such capacity for a 5-year period.

Those senior division members who, after completing two academic years of training in the Reserve Officers' Training Corps, may be specially selected for prescribed advanced training in the senior division, requiring 5 hours per week during the remainder of the course and camp attendance may, upon so obligating themselves, be allowed commutation of subsistence at the expense of the United States for such advanced training period, not exceeding 2 years, at a rate fixed by the Secretary of War not greater than the rest of the garrison ration prescribed for the Army. While attending advanced course training camps such members are also entitled to be paid as provided for seventh grade enlisted men of the Regular Army. Institutions maintaining Reserve Officers' Training Corps units may be issued such animals, arms, ammunition, supplies, equipment, and uniforms belonging to the United States, within the limits of appropriations therefor, as the Secretary of War may deem necessary. Payment of commutation in lieu of uniforms at a rate fixed annually by the Secretary of War may also be authorized by him. The legislation under review also authorizes the detail by the President to instructional duty with Reserve Officers' Training Corps units of such numbers of officers, warrant officers, and enlisted men of the Regular Army as may be necessary; such personnel to be supplied without expense to the educational institutions concerned. By a specific provision of such legislation (section 55c of amended National Defense Act), schools and colleges not connected with the Reserve Officers' Training Corps system having a student body of at least 100 physically fit male persons above 14 years of age and conducting a course of military training prescribed by the Secretary of War may, in his discretion and without expense to such institutions, be furnished arms and equipment and available Regular Army officer and enlisted personnel necessary for military training purposes. Members of the Reserve Officers' Training Corps and other students under prescribed military instruction at institutions receiving Government aid provided for in aforementioned section 55c of the amended National Defense Act have no military status under the Articles of War and constitute no part of the Army of the United States as established by the first section of that act.

By War Department regulations governing the operation of the Reserve Officers' Training Corps, the regular 4-year course of the senior division is composed of the senior division basic course in the department of military science and tactics embracing the freshman and sophomore years of the academic department and the senior division advanced course concurrent with the junior and senior years of the academic department and the senior division advanced course are separately elected by enrollees therein, when not made compulsory by institutional authorities, and completion of either when once entered upon is a requirement for academic graduation as prescribed in such regulations. By these regulations the junior division course of military training for essentially military schools embraces 4 academic years of prescribed theoretical and practical instruction, and for other than essentially military schools, a 3-year course thereof. The junior division course, regardless of duration, has for its

basis the senior division basic course for infantry units. All instruction in the Reserve Officers' Training Corps must conform to the courses of instruction prescribed by the War Department and published by The Adjutant General. Academic credit for completion of Reserve Officers' Training Corps courses is, under the regulations, a matter expressly left by the War Department in the hands of the authorities of each institution, with the general declaration that "the successful conduct of Reserve Officers' Training Corps units depends in large measure upon the granting of credit on the same basis, hour for hour for practical and theoretical instruction, as is given for laboratory and classroom work in other departments."

Reserve Officers' Training Corps appropriations estimates and allocations, Army personnel details thereto, and the general operation of War Department policies touching the Reserve Officers' Training Corps are by existing regulations made functions of The Adjutant General; those respectively allotted to chiefs of arms and services being preparation of programs of instruction for the several kinds of units composing the Reserve Officers' Training Corps, the making of training inspections and recommendations touching training, correlation of enrollment and location of units with mobilization requirements, and the assignment to Reserve Officers' Training Corps duty of officers qualified therefor. Corps area commanders exercise by devolution the supervisory powers of the War Department over the Reserve Officers' Training Corps, saving expressly reserved matters, and represent the War Department in the administration and operation of units thereof in accordance with law and regulations. The latter accord to heads of institutions maintaining Reserve Officers' Training Corps units that degree of general control over the department of military science and tactics ordinarily exercised over other institutional departments.

According to War Department figures, showing the strength of the Reserve Officers' Training Corps at the beginning of the academic year 1934, this corps consists of 217 senior division units with a basic course enrollment of 59,466 and advanced course enrollment of 13,907, organized in 8 essentially military colleges and universities (class MC), 4 essentially military schools (class MI), and 114 "civil colleges and universities" (class CC), and 103 junior division units with a total enrollment of 39,942, organized in 37 essentially military schools (class MS), 60 high schools (class CS), and 5 other institutions (class CS). The 217 senior division units, numbering 73,373, are composed of 87 Infantry units, numbering 41,654, 11 Cavalry units numbering 3,541, 20 Field Artillery units numbering 11,958, 21 Coast Artillery units numbering 7,673, 1 Air Corps unit numbering 28, 22 Engineer units numbering 4,731, 10 Signal Corps units numbering 1,393, 23 Medical Corps units numbering 1,003, 8 Dental Corps units numbering 304, 4 Veterinary Corps units numbering 118, 9 Ordnance units numbering 827, and 1 Chemical Warfare Service unit numbering 143. The Reserve Officers' Training Corps as a whole accordingly has a student strength of 113,315, in 320 units maintained in 228 institutions throughout the United States. The instructional and administrative work involved in the institutional operation of the Reserve Officers' Training Corps system for the academic year 1934, as shown by War Department figures, is done by 707 Regular Army active officers (including 19 colonels, 48 lieutenant colonels, and 162 majors), 12 warrant officers, 501 noncommissioned officers, and 421 other Regular Army enlisted men, stationed at such institutions. For the fiscal years 1921 to 1934, inclusive, intervening since the passage of the amendatory National Defense Act of June 4, 1920, Congress has expressly appropriated for the maintenance of the Reserve Officers' Training Corps a total of \$47,853,932; but of the sum of \$3,466,531 so appropriated for the fiscal year 1934 only \$2,621,000 became available for obligation in conformity with subsequently imposed restrictions on Federal expenditures.

The Reserve Officers' Training Corps system is in successful operation in all the 49 land-grant colleges within the continental United States. War Department figures show

senior division units in these 49 institutions to have a total enrollment of 44,843 for the academic year 1934. The following in respect of senior division enrollment in land-grant colleges is extracted from chapter II, part V, volume II, of United States Department of the Interior, Office of Education Bulletin, 1930, No. 9, entitled "Survey of Land-Grant Colleges and Universities":

Enrollment in the basic course and military instruction through freshman and sophomore years is required of all physically qualified male students in all land-grant institutions except the University of Wisconsin, in which institution it became optional in 1923 by act of the Wisconsin Legislature. Under the elective system at the University of Wisconsin student enrollment in military education has diminished from 1,528 in 1922-23 to 648 in 1927-28. The prevailing sentiment in the land-grant colleges appears to be strongly in favor of the required feature. The Association of Land-Grant Colleges has declared itself repeatedly in favor of this policy.

All except three of these land-grant colleges are within the War Department category of 114 "civil colleges and universities", class CC, as classified for Reserve Officers' Training Corps purposes.

The eight degree-granting institutions classified by the War Department for Reserve Officers' Training Corps purposes as "military colleges and universities", wherein military discipline is constantly maintained and the entire student body required to pursue military training throughout the course, have a total Reserve Officers' Training Corps enrollment of 5,734 for the academic year 1934. Two of these military institutions—The Citadel, of South Carolina, and Virginia Military Institute—have for their respective executive heads Gen. Charles P. Summerall, United States Army, and Maj. Gen. John A. Lejeune, United States Marine Corps. Three of the same—Agricultural and Mechanical College, of Texas; Clemson Agricultural College, South Carolina; and Virginia Agricultural and Mechanical College and Polytechnic Institute—are land-grant colleges.

To the organized peace establishment erected by section 3 of the amended National Defense Act, the Reserve Officers' Training Corps is indispensable as a personnel replacement source. For example, War Department figures show that in the 14-year period from 1920 to 1933, inclusive, a total of 65,247 of a grand total of 66,063 graduates of the Reserve Officers' Training Corps were duly commissioned in the Officers' Reserve Corps. Also, the thousands Reserve Officers' Training Corps members whose military training ended with the senior division basic course or junior division course, and who consequently have not qualified for appointment in the Officers' Reserve Corps are not lost to national defense, as the training they have undergone fits them for service as noncommissioned officers in the National Guard and Organized Reserves, and in the emergency forces in time of war.

Touching the individual benefits resulting from Reserve Officers' Training Corps instruction, the following summary of opinions of Reserve Officers' Training Corps graduates is illuminating. It is the upshot of a study of about 10,000 returns to about 16,000 questionnaires mailed to Reserve Officers' Training Corps graduates by the Commissioner of Education, Department of the Interior, in 1931. The inquiry embraced the 1920 to 1930 classes of 54 selected institutions in 39 States and the District of Columbia, and the study is from the pen of Lt. Col. Ralph Chesney Bishop, Field Artillery Reserve. An analysis of the replies of about 10,000 graduates made by Colonel Bishop was published as United States Department of the Interior, Office of Education, Pamphlet (1932) No. 28, entitled "A Study of the Education Value of Military Instruction in Universities and Colleges", which includes a most valuable summary thus formulated:

1. The volume of opinions drawn from more than 10,000 college graduates who completed the R.O.T.C. course in military science and tactics gives full recognition to the educational values derived from the course. This is apparent from the standpoints of both general education and discipline and educational subject matter. The course is recognized for its utility in developing right habits of mind and body and qualities of character that are fully as useful in everyday experience as they are when applied to military objectives.

2. The R.O.T.C. is especially recommended by graduates because it has brought to them a more definite and serious recognition of

a number of the more important duties and responsibilities of a democratic citizenship.

3. Graduates of the R.O.T.C. have come to feel that some college authorities and faculties have not given sufficient recognition to the R.O.T.C. as an educational instrument, largely through a failure to perceive many of the educational values that have been developed through its agency.

4. Although graduates recognize on the whole that military education is equal in quality to that which is academic or professional, they feel that the R.O.T.C. course could be strengthened by better pedagogical training on the part of the teachers of military science, and by their placing greater stress upon the study of principles rather than upon military technique.

5. The graduates would strongly oppose the abolition of military training from institutions of collegiate grade, and are of the opinion that the contribution made by the R.O.T.C. to a young man's general education is sufficient in value to warrant the continuance of the course as a curriculum requirement.

6. Ninety-three and six-tenths percent of the 9,636 replies attest that R.O.T.C. training does not create a militaristic attitude in the minds of those who have experienced it, but that it does furnish graduates with a sense of individual responsibility toward national welfare and security.

The Reserve Officers' Training Corps has emerged from the experimental stage and become a governmental institution vital to national defense.

According to War Department figures, the 50 schools and colleges not connected with the Reserve Officers' Training Corps system, which receive Government aid under the provisions of section 55c of the amended National Defense Act have a total of 12,075 students enrolled for the academic year 1934 in the military training course prescribed by the War Department therefor. There are 45,776 male students matriculated in these 50 institutions. Details to military training duty in some of these section 55c schools are 1 commissioned officer, 2 warrant officers, and 6 non-commissioned officers of the Regular Army. For military supplies and equipment for this class of institutions for the fiscal years 1921 to 1934, inclusive, Congress has expressly appropriated a total of \$84,507.

Other reliable data concerning military training in public and private high schools are of interest. Records of the Office of Education, United States Department of Interior, published in Bulletin (1931) No. 20 thereof, show that there were 23,930 public high schools in the United States in 1930 and that reports containing data on military drill were received from 22,237 such schools, which constitute 92.9 percent of the total number thereof. The total male enrollment in the school year 1930 in these 22,237 high schools reporting was 1,991,202. Of these schools a total of 338 offered military drill taken in that year by 57,179 students. The latest school year for which military training statistics relating to private high schools and academies are available is 1928. In that year the total enrollment of male secondary students in 2,448 private high schools and academies reporting to the Office of Education was 128,596; and in 116 of these institutions 16,528 students were enrolled in military drill.

As stately and sturdy as the great oaks about it on the banks of the Ashley stands The Citadel, the military college of South Carolina, a fine example of those military centers of higher learning which provides a sound cultural, vocational, and military education, and so fit their student bodies for peace and war service of fellowman, State, and Nation. The Citadel was established in the city of Charleston as a public military institution of collegiate grade by act of the general assembly of December 20, 1842, graduated its first class of six men in 1846, and continued in successful operation until a few months prior to the fall of Charleston, in February 1865, when the institutional plant and grounds at Marion Square were occupied by Federal troops. Within this period of 22 years The Citadel had graduated 240 men. Of this number about 200 were officers in the Confederate service in the Civil War, 43 of whom were killed in action. But this resplendent record by no means includes the full contribution of trained man power made by The Citadel to the Confederate cause. At least reference must be made to the first hostile shot of the Civil War fired on January 9, 1861, by a detachment of Citadel cadets, commanded by a Citadel graduate, manning a battery of 24-pounders on Morris Island. The accomplished objective

was to drive off the steamer *Star of the West*, then attempting the relief of Fort Sumter. On several other occasions during the Civil War The Citadel cadets as part of the military organization of the State were ordered to emergency duty in the field. The general assembly, after the reconstruction period, made provision for the reopening of this institution on October 1, 1882, which thereupon enrolled 189 cadets, and has ever since prospered.

In 1910 that body declared its title to be "the Citadel, the military college of South Carolina"; and in 1919 and 1920 made the necessary appropriations for its relocation on the banks of the Ashley River. It now has a student enrollment of 600 and a faculty of 40 members, including 7 Regular Army active officers detailed to the department of military science and tactics to conduct military training required of all students who live in cadet barracks under discipline similar to that enforced at West Point. Such training is provided in 2 units of the Reserve Officers' Training Corps, 1 infantry and 1 coast artillery. Upon satisfactory completion of required work therefor, The Citadel awards the degrees of bachelor of science, bachelor of arts, and civil engineer. The State of South Carolina makes annual provision for the support of 78 Citadel cadets, these scholarships being awarded by competitive examination as vacancies occur in the various counties.

The past gives assurance that the Citadel will continue to produce leaders of men in peace and war with that mind and character equipment which is the ultimate reliance of the State. Ninety-six graduates now hold commissioned office in the Regular Establishments of the land and naval forces, and the great majority of graduates in recent years who are physically qualified are members of the Officers' Reserve Corps of the Army. In 1918 there were 624 living graduates of military age, of which number 325 had World War service as commissioned officers.

SOLDIERS AS TEACHERS

Many American soldiers have contributed of their time and talents to the uplifting of their respective generations by teaching. I have not undertaken to make an exhaustive list, but hastily recall to memory the case of Thomas Jonathan Jackson (popularly known as "Stonewall"), who taught in the Virginia Military Institute many years prior to the opening of hostilities between the States of the North and the States of the South. In like manner William T. Sherman became the first president of the college established by the State of Louisiana near Alexandria, and this institution has been later developed into the Louisiana State University, located at Baton Rouge. General Sherman resigned his place as the president of this institution upon the secession of the several Southern States and had a most conspicuous career as an officer in the Army, not only during hostilities but thereafter up to the date of his death. After the great conflict known as the "War between the States" had ended, Gen. Robert E. Lee, a soldier and a citizen "without fear and without reproach", became the president of what was then called Washington College—now Washington and Lee University—a small and struggling institution at Lexington, Va., and there he labored with great success in helping to heal the wounds between the sections by inspiring all the young men who came under his influence to lend their best services to the rebuilding not only of the South but of the entire Nation, and there his body lies in peace and in honor, a shrine for every patriot in the land. So, Gen. Stephen D. Lee became the head of the Agricultural and Mechanical College in the State of Mississippi and rendered signal service to that State, and to the country, by his energy and inspiring example.

I am happy to mention that a private soldier, William Moffatt Grier, some years after the close of that sectional struggle, became the president of Erskine College at Due West, S.C., and his name is held in precious memory by thousands throughout the South who came under both direct and indirect influence of his patriotic example and Christian character. So Col. Asbury Coward became president of The Citadel, the military college of South Carolina, at Charleston, and his work there has contributed to the

making of hundreds of stalwart and staunch leaders in every line of human endeavor. In like manner I rejoice to record that after the close of that tragic era at Appomattox, Maj. Benjamin Sloan, a graduate of the United States Military Academy and distinguished as an artilleryman in Lee's army, gave his talents and his long life to the service of South Carolina in teaching at the South Carolina University and for several years was its beloved and honored president.

SOLDIERS OF THE WORLD-WAR PERIOD

I have not tried to make a check of all of the soldiers who distinguished themselves in the World War that are now conspicuous as teachers, but hastily record those who come first to memory. I am quite sure there must be scores, if not hundreds, throughout the country following the examples of Jackson, Sherman, Lee, and others. But most notable are the cases of Maj. Gen. John A. Lejeune and Gen. Charles P. Summerall.

After the retirement of General Lejeune as Commandant of the United States Marine Corps, he accepted the superintendency of the Virginia Military Academy at Lexington, and there he has continued in a station of great usefulness to inspire the lives of young men to do noble deeds by rendering patriotic service to the State and Nation.

In like manner, when Gen. Charles P. Summerall retired after having served as Chief of Staff of the United States Army, he was offered and accepted the presidency of the South Carolina College at Charleston, S.C., called for a long time "The Citadel." I never knew General Summerall until he came to Washington to assume the responsible station of Chief of Staff, but I knew his reputation as a soldier and as a leader and commander of other American soldiers upon the battlefield. I have heard many other distinguished American officers who won laurels with our armies in France testify that the career of General Summerall as the commander of troops in the actual conflict is unrivaled and unsurpassed in the American Army. This is what one would expect who knows the background of General Summerall.

Great men usually draw their greatness from the minds and hearts of their mothers. I have the testimony of many witnesses and of strong corroborating circumstances that the mother of General Summerall was a woman of rare talents, with a character as true and as pure as a vestal virgin, and with a mind as clear as the sunlight itself. For several years before her marriage to an ex-Confederate soldier she taught in the country schools of Abbeville and Laurens Counties, and wherever she taught, she left memories that grew more precious with the passing years.

On one occasion I saw four ladies, all of them about 90 years old or more, gathered in one room, all of whom had been pupils while little girls in a school taught by General Summerall's mother, née Miss Pelot. One of them had an oldtime autograph album with a verse composed and written by her teacher, Miss Pelot, expressing the noblest sentiments in purest form of Spencerian penmanship. Another told of the many moral maxims that Miss Pelot impressed upon all of her pupils, and how they lingered in memory throughout life. Another produced an oldtime lap writing desk that had been the gift by Miss Pelot to the mother of the possessor of this precious heirloom. Still the fourth, with cracked voice sang a precious song composed and set to music by Miss Pelot herself. But that voice was prompted by a heart filled with loving memory, and those tones brought tears to every eye in that room. From such mothers great men come, and it is no wonder to those of us who have later learned from what material of mind and spirit General Summerall proceeds, that he has climbed by his own unaided efforts and solely upon the basis of merit to the highest pinnacle in the Army of our great Republic.

Furthermore, after General Summerall had retired from the Army with at least a recompense in the form of retired pay for the remainder of his days, it was no surprise that he responded to the call of the citizens of the native State of both his mother and his father and went to South Carolina to head her great military college. Great as have been the services of General Summerall from the days that he

was commissioned as second lieutenant in the Army until his final retirement with the rank of a full general, yet I believe that the crowning glory of all of his life's activities will be his work as president of The Citadel. Here he will be in daily and intimate contact with the lives of hundreds of young men, 90 percent of whom are certain to become leaders in their respective communities and in their several callings. Long, long years after the soul of General Summerall shall have joined his sainted mother in the spirit world these young men, and doubtless their sons and grandsons, will be inspired to noble living and heroic action by the example of this now great teacher, who was formerly a great soldier. Outside of inheriting a sound body and a sound mind with noble impulses, and in addition to enjoying the family environment and example of honorable living and patriotic service, the greatest influence that can come into the life of any person is to be under the guidance and subject to the leadership of a truly great teacher. Men become great teachers not merely because of the knowledge they possess but more especially because of the principles of character and of right living that possess them. Happy is the man or woman who can look back through the years to the days in school or in college when he or she was directed and guided not only by the instruction but by the example of a truly noble and unselfish teacher. Such is the case of General Summerall, and I rejoice in the opportunity I have of recording my gratitude to him for the service he is rendering our State and our country.

TAX EXEMPTION OF PROPERTY OF THE NATIONAL SOCIETY OF THE SONS OF THE AMERICAN REVOLUTION

Mr. PALMISANO. Mr. Speaker, I call up the bill (H.R. 6037) to exempt from taxation certain property of the National Society of the Sons of the American Revolution.

The Clerk read the bill, as follows:

Be it enacted, etc., That all property belonging to, or held by, the National Society of the Sons of the American Revolution in the District of Columbia, used and occupied by that society, so long as the same is owned and occupied, be exempt from taxation, national and municipal.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NEEDY BLIND OF THE DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I call up the bill (H.R. 8517) to provide for needy blind persons of the District of Columbia.

The bill is as follows:

Be it enacted, etc., That the Board of Public Welfare of the District of Columbia (hereinafter called the "Board") is hereby authorized and directed to enforce the provisions of this act for the purpose of maintaining, supporting, and caring for needy blind persons, residents of the said District of Columbia, citizens of the United States, and not inmates of any institution supported in whole or in part by the Federal or District Governments, and said Board shall have the power, subject to the approval of the Commissioners of the District of Columbia (hereinafter called the "Commissioners"), to make and enforce all proper rules and regulations therefor, and said Board shall create a new subdivision which shall be devoted exclusively to the carrying out of the provisions of this act.

SEC. 2. As used in this act, the term "needy blind person" shall be construed to mean any person who by reason of the loss or impairment of eyesight is of such condition that he cannot be rehabilitated for self-support through the facilities offered by the District rehabilitation service of the Federal Board for Vocational Education, and who is unable to provide himself with the necessities of life and who has not sufficient means of his own to maintain himself and who is otherwise qualified as further set forth in this act.

SEC. 3. In order that any person who shall have become blind while a resident of the District of Columbia may be entitled to aid under the provisions of this act such person must be at least 16 years of age and a resident of the District of Columbia for 1 year next preceding his application for aid hereunder: *Provided*, That in order that any person whose blindness originated while he was not a resident of the District of Columbia may be entitled to aid hereunder, such person must be at least 21 years of age and must have been a bona fide resident of the District of Columbia for a period of 7 years immediately preceding the filing of his application for aid hereunder: *And provided further*, That nothing in this act shall be construed to repeal or render void, so far as blind persons are concerned, any existing statutes which create or define a liability on the part of certain persons to support and provide for poor relatives.

Sec. 4. To receive aid under this act, the applicant shall file his application with the Board, accompanied by an affidavit signed by himself stating his age, sex, places of residence during the period stipulated in the District of Columbia, his financial resources, and incomes, the name and address of his next of kin, degree of blindness, how long blind, what employment he has had, his general physical condition, and such other information as the Board may designate.

Sec. 5. No aid shall be granted hereunder until the Board is satisfied from the evidence of at least two reputable citizens of the District of Columbia that they know the applicant has the residential qualifications to entitle him to the aid asked for, and from the evidence of a duly licensed and practicing physician whose duty it shall be to describe the condition of the applicant's eyes and to testify to his blindness, which evidence shall be in writing subscribed to by such witnesses, subject to the right of cross-examination by either the Board or the Commissioners; and if the Board is satisfied by such testimony that the applicant is entitled to aid hereunder, it shall, without delay, allow such sum as it finds needed: *Provided, however*, That the yearly income of the applicant from all sources taken together with the aid granted shall not exceed \$1,200: *Provided further*, That the Board shall transmit to the Commissioners a record of their actions in granting or refusing to grant aid to each blind applicant, and any blind applicant who is dissatisfied with the finding of the Board regarding his application for aid, may appeal to the Commissioners who shall now consider the application and if two of the Commissioners shall find that the applicant is entitled to aid under the provisions of this act, they shall then and there award such aid as they deem proper: *Provided, however*, That the total yearly income of the applicant together with the award shall not exceed \$1,200, and the Board shall pay immediately to the applicant blind person the sum awarded by the said Commissioners.

Sec. 6. The Board shall investigate semiannually, or oftener, the qualifications of blind persons who receive aid hereunder, and may increase or decrease the allowance within the limits prescribed by the act; or if said Board is satisfied that any person on the list is not entitled to aid hereunder, they shall strike off and entirely remove him from said list, and shall forthwith notify the Commissioners of such action: *Provided, however*, That the person heretofore receiving aid may take an appeal to the Commissioners from such action as if it were an original application for aid: *And provided further*, That such an appeal must be filed within 30 days from the notification by the Board to the beneficiary hereunder of the intended reduction or discontinuation of aid, and no reduction or discontinuance of aid shall be operative until after rendition of the findings of the Commissioners on said appeal.

Sec. 7. No person shall be eligible to receive aid under the provisions of this act who, after receiving said aid publicly solicits alms in any manner, either by wearing, carrying, or exhibiting signs denoting blindness for the securing of alms, or by any signs calling attention to blindness exhibited on wares and merchandise, or the carrying of receptacles for the purpose of securing alms, or the doing of the same by proxy, or by stationary or house-to-house begging, or any other means of publicly securing aid.

Sec. 8. Any person qualifying for and receiving aid hereunder who removes himself from the jurisdiction of the District of Columbia and thereby ceases to be a resident, shall no longer be entitled to the benefits and aid under the provisions of this act, but temporary absence for a reasonable length of time shall not work a forfeiture hereunder, when such prolonged absence is caused through illness.

Sec. 9. The benefits hereof shall not be granted to any person between the ages of 16 and 55 years who, having no occupation and being both physically and mentally capable of some useful occupation, or of receiving vocational or other training, refuses for any reason to engage in such useful occupation, or refuses to avail himself of such vocational or other training, or unless for good cause shown signifies his willingness and readiness to enter upon a course of such vocational or other training within a reasonable time: *Provided*, That no person shall be entitled to the benefits of this act who shall refuse to submit to any treatment or operation to effect a cure when such treatment or operation is recommended by an examining oculist and approved by the Board.

Sec. 10. Relief under this act shall be denied whenever a person who is blind or partially blind within the definitions of this act is married to another who is also blind or partially blind, unless one shall not have been blind or partially blind at the time of the marriage, or unless they shall have been married for 2 years prior to the passage of this act; and where relief has already been granted, such relief to one shall be discontinued whenever a person who is blind or partially blind within the definitions of this act is married to another who is also blind or partially blind, and the maximum paid under this act for their joint care and support and relief shall not exceed the sum of \$600 annually; but in the event the marriage is already entered into for 2 years at the time of the passage of this act, or that either was not blind or partially blind at marriage, such persons shall each be permitted to file his and her application: *Provided*, That no person shall benefit under the provisions of this act who hereafter shall enter into marriage with an indigent person until the marital relations are terminated in a manner recognized by law.

Sec. 11. No person shall be eligible to the benefits of this act who shall hereafter either intentionally deprive himself of his eyesight or assist in the destruction thereof by others; or hereafter shall lose his eyesight during the perpetration of a criminal offense; or shall hereafter lose his eyesight by reason of vicious

habits; or through hereafter indulging in so-called "alcoholic beverages": *Provided*, That no payment of any money shall be made under this act for the care or relief of any blind person who has for 5 years preceding his blindness or loss of sight been dependent upon public relief unless such dependency shall have been caused through physical or mental incapacity.

Sec. 12. Whenever it appears after the death of any unmarried person who has received aid under this act that his estate, after deducting the exemptions allowed by law, has property over and above a sufficient amount to pay the expenses of his last illness and burial, such property shall be charged with the amount paid to such person during his lifetime; and claim may be filed against his estate for the recovery of the said amount, and an action may be brought in the name of the District of Columbia by the corporation counsel to recover the same, and the statute of limitations shall not be computed until after the death of the person receiving aid as above provided.

Sec. 13. Any person who attempts to obtain, or obtains, by false representation, fraud, or deceit, any allowance under this act, or who receives any allowance knowing it to have been fraudulently obtained, or who aids or assists any person in obtaining or attempting to obtain an allowance by fraud, shall be punished by a fine of not more than \$500 or by imprisonment for not more than 1 year, or by both such fine and imprisonment.

Sec. 14. In order to carry out the provisions of this act there is authorized to be appropriated for the fiscal year ending June 30, 1934, the sum of \$75,000, payable from the revenues of the District of Columbia, and for the fiscal year ending June 30, 1935, and annually thereafter, the Commissioners shall include in the estimate of appropriations for said District of Columbia, such an amount as may be necessary for this purpose; and the Commissioners, upon nomination by the Board, shall appoint a supervisor and such additional personnel as may be necessary to administer this act, at such salaries as may be fixed for similar services by the provisions of the Classification Act of 1923; and such employees may be removed by the Commissioners upon recommendation of the Board: *Provided*, That whenever necessary said Board shall appoint an acceptable member of the personnel to stand in loco parentis to any minor qualifying for aid hereunder.

Sec. 15. The provisions of this act are to be liberally construed to effect its objects and purposes, and if any section, subsection, or subdivision of this act is for any reason held to be unconstitutional, such decision shall not affect the validity of such remaining portions of this act.

With the following committee amendments:

Page 2, section 3, line 18, strike out "sixteen" and insert "nineteen" in lieu thereof.

Page 4, section 5, line 3, beginning with the word "Provided", strike out all to and including "\$1,200" in line 6. Strike out the word "further" in said line 6.

Page 4, section 5, line 15, strike out lines 15, 16, 17, and 18.

Page 6, section 10, strike out all of said section 10, and renumber following sections.

Amend the numbers of the sections.

Mr. PATMAN. Mr. Speaker, I want to ask the chairman of the committee a few questions for the Record. This bill is to pension needy blind in the District of Columbia. There are 157 blind in the District and 63,487 in the United States. I wish this law could be made to include all of them. What age must a blind person be to be eligible under this bill?

Mr. KELLY of Pennsylvania. I will answer the gentleman, if he will permit. I will say that extensive hearings were held by the subcommittee, and 60 representatives of the blind and social-service agencies appeared. The age limit is 19 where the person became blind while in the District of Columbia, and 21 where the blindness occurs outside.

Mr. PATMAN. How long must a person who received his blindness remain in the District to be eligible for relief?

Mr. KELLY of Pennsylvania. A person who becomes blind outside the District must have attained the age of 21. A person who shall have become blind while a resident of the District of Columbia must be at least 19 years of age, and a resident for 1 year preceding his application.

Mr. PATMAN. What if a blind person moves to the District now? How long will he have to remain here before he is eligible for this relief?

Mr. KELLY of Pennsylvania. Seven years.

Mr. PATMAN. In excess of what amount of property or income would prohibit a person receiving a pension?

Mr. KELLY of Pennsylvania. He must be totally unable to take care of himself in providing the necessities of life. The payment depends upon the actual need.

Mr. PATMAN. How much will be the amount?

Mr. KELLY of Pennsylvania. The amount is left to the Board of Welfare. Therefore, there would be varying amounts paid according to need.

Mr. PATMAN. How many States have relief for the blind now?

Mr. KELLY of Pennsylvania. There are 26 States, and payments range from \$300 up to \$600 for the individual. This bill provides a varying scale and would not likely average more than \$400.

Mr. PATMAN. In the case of veterans in any public institution supported by public funds they do not receive a pension in excess of \$6 a month, if it is nonservice connected, or \$15 a month if it is service connected. Is there any provision in this law in regard to pensioning those who are taken care of in homes?

Mr. KELLY of Pennsylvania. Yes. As long as they remain within the institution they do not come under the provisions of this act.

Mr. PATMAN. As long as they are taken care of otherwise?

Mr. KELLY of Pennsylvania. That is right.

The SPEAKER. The question is on the committee amendments.

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JENNIE BRUCE GALLAHAN

Mr. PALMISANO. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 2035) for the relief of Jennie Bruce Gallahan.

The SPEAKER. Is there objection to the request of the gentleman from Maryland [Mr. PALMISANO]?

Mr. PATMAN. Reserving the right to object, I want to ask the gentleman a question about this bill.

What is this bill for?

Mr. PALMISANO. It is to pension the widow of Lieutenant Gallahan, in the fire department, who was killed in the discharge of his duties.

Mr. PATMAN. Is the widow drawing a pension now?

Mr. PALMISANO. I understand so; yes.

Mr. PATMAN. How much?

Mr. PALMISANO. I do not know quite what the pension is.

Mr. PATMAN. Is it \$60 a month?

Mr. PALMISANO. I do not know.

Mr. PATMAN. Well, who does know?

Mr. PALMISANO. The gentleman has made a study of it and he probably knows. I do not know what it is.

Mr. PATMAN. I thought it was \$60, but I did not want to be too sure about it. Although it seems to be a very deserving and meritorious case and we would like to give all widows a lump sum of five or ten thousand dollars, still, does not the gentleman think it might be setting a precedent that will lead to a large number of claims for similar reasons? If I understand this correctly, this is a precedent. This has never been done before.

Mr. PALMISANO. This is an exceptional case where a lieutenant left a wife and two children. Certainly, the widow cannot educate her two children on \$60 a month. This was an exception, to pay the funeral charges and other expenses incurred.

Mr. PATMAN. This is to pay \$5,000 extra?

Mr. PALMISANO. That is all; yes.

Mr. PATMAN. Considering the fact that a widow who lost her husband on the battlefield, while fighting for his country, can only receive \$30 a month, does not the gentleman think that this lady, the widow of an employee of the fire department, is pretty well taken care of when she receives twice that much?

Mr. PALMISANO. Oh, the family of a man who is killed in the discharge of his duty, whether on the battlefield or whether in the District of Columbia, to my mind ought to have consideration. We have passed today a bill to take care of war orphans. We made special reference to that. We do that regularly. It seems to me in a case of this kind we ought to do something to permit this widow

to educate her children. This is the only object of asking to pass this bill.

Mr. PATMAN. The gentleman will admit that it is establishing a precedent?

Mr. PALMISANO. I understand it is; yes.

Mr. PATMAN. When there are other cases just like this, where a man has been killed in the performance of his duty and his widow is receiving a pension of \$60 a month, will the gentleman be for allowing a lump sum of \$5,000 in each case?

Mr. PALMISANO. I think every case should stand on its own merits. If the circumstances in the case justify it, I would support it.

Mr. PATMAN. When did this death occur?

Mr. PALMISANO. I do not know. The gentleman from Texas knows.

Mr. PATMAN. No; I do not know or else I would not have asked the question.

Mr. PALMISANO. This bill has passed the Senate on one or two occasions. This man was killed in 1927.

Mr. PATMAN. Of course, I do not want to take the responsibility of depriving this widow of any sum of money. I presume that one should take that responsibility since it is a precedent that has never been set by this Government in any other case, but since I do not have all the facts I will give the committee reporting the bill the benefit of the doubt. It will probably call for all kinds of claims in the future. If we carry out this precedent, it occurs to me we will pay the widows of all employees in Government service or in the fire department or any other service at least \$5,000. That is the precedent that is involved, the way I see it. If the gentleman wants to do it, I cannot stop him. One objection will not be sufficient, and I seem to be the only member of the committee questioning the wisdom of this payment.

Mr. PALMISANO. I do not think this will set any precedent.

The SPEAKER. Is there objection to the request of the gentleman from Maryland [Mr. PALMISANO]?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Jennie Bruce Gallahan the sum of \$5,000 as compensation for the death of her husband, Samuel L. Gallahan, late lieutenant, District of Columbia fire department, which occurred while he was engaged in the performance of his duties: Provided, That such sum shall be in addition to any payments heretofore or hereafter received from the policemen and firemen's relief fund, District of Columbia, on account of such death.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROMOTION IN THE LINE OF THE NAVY

Mr. VINSON of Georgia submitted the following conference report on the bill (H.R. 9068) to provide for promotion by selection in the line of the Navy in the grades of lieutenant commander and lieutenant; to authorize appointment as ensigns in the line of the Navy all midshipmen who hereafter graduate from the Naval Academy; and for other purposes.

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9068) to provide for promotion by selection in the line of the Navy in the grades of lieutenant commander and lieutenant; to authorize appointment as ensigns in the line of the Navy all midshipmen who hereafter graduate from the Naval Academy; and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 2, and 3.

That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with amendments as follows: On page 3, line 10, of the engrossed bill, strike out the following: "word 'hereafter,'" and insert in lieu thereof the following: "words 'in 1934 and hereafter.'"

On page 3, line 13, of the engrossed bill, before the word "may", insert the following: "and whether they have since been married or not."

On page 4, line 3, of the engrossed bill, after the word "who", insert the following: "in 1934 and."

And the Senate agree to the same.

CARL VINSON,
P. H. DREWRY,
FRED A. BRITTEN,

Managers on the part of the House.

DAVID I. WALSH,
FREDERICK HALE,

Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9068) to provide for promotion by selection in the line of the Navy in the grades of lieutenant commander and lieutenant; to authorize appointment as ensigns in the line of the Navy all midshipmen who hereafter graduate from the Naval Academy; and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

On amendments nos. 1, 2, and 3: Provides for the retirement of officers in the grades of lieutenant and lieutenant (junior grade), who are not selected for promotion, as proposed by the House, instead of carrying officers in the grade of lieutenant, who are not selected for promotion, on the active list as extra numbers in grade, as proposed by the Senate.

On amendments nos. 4 and 5: Extends from June 1, 1934, to August 1, 1934, the time in which appointments may be issued as ensigns to midshipmen graduating in 1933, not then commissioned and who may now qualify, as proposed by the Senate; also, corrects the text with respect to former midshipmen who have married and makes certain that all midshipmen of the class about to be graduated, as well as all future graduates, may be appointed as ensigns in the line of the Navy.

CARL VINSON,
P. H. DREWRY,
FRED A. BRITTEN,

Managers on the part of the House.

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill H.R. 9068.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Without objection, the Clerk will read the statement in lieu of the report.

There was no objection.

The Clerk read the statement.

The conference report was agreed to.

A motion to reconsider was laid on the table.

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent to print in the RECORD at this point the bill H.R. 9068 as agreed to in conference.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The bill is as follows:

H.R. 9068

An act to provide for promotion by selection in the line of the Navy in the grades of lieutenant commander and lieutenant; to authorize appointment as ensigns in the line of the Navy all midshipmen who hereafter graduate from the Naval Academy; and for other purposes

Be it enacted, etc., That except as otherwise provided in this act, the provisions of existing law with reference to promotion by selection in the line of the Navy and the retirement of officers who are not on the promotion list or who are found not professionally qualified are hereby extended to include and authorize promotion to the grades of lieutenant commander and lieutenant, and the retirement of lieutenants and lieutenants (junior grade). The number to be recommended for promotion to each such grade and to be placed upon the promotion list shall be furnished the selection board for that grade by the Secretary of the Navy and shall be the number of existing vacancies in the grade concerned plus such additional number, if any, as the needs of the service may require.

Sec. 2. That lieutenants (junior grade) who on June 30 of the year of the convening of the board shall have had 3 years' service in the grade of junior lieutenant shall be eligible for consideration for selection for promotion to the next higher grade.

Sec. 3. That the board for the recommendation of line officers for promotion to the grades of lieutenant commander and lieutenant shall consist of nine officers on the active list of the line of the Navy above the rank of commander, not restricted by law to the performance of shore duty only, at least one of whom shall be a rear admiral.

Sec. 4. That for the purpose of extending section 3 of the act of March 3, 1931 (46 Stat. 1483; U.S.C., Supp. VII, title 34, sec. 286a), to officers below the rank of lieutenant commander, the said section is amended so that the length of service therein prescribed shall be 14 years for lieutenants and 7 years for lieutenants (junior grade): *Provided*, That no officer of said rank shall become so ineligible prior to June 30 of the second calendar year following the date of this act: *And provided further*, That the restriction on the number of involuntary transfers in any fiscal year to the retired list prescribed in section 7 of the act of March 3, 1931 (46 Stat. 1484; U.S.C., Supp. VII, title 34, sec. 286e), shall not apply to the grade of lieutenant and lieutenant (junior grade).

Sec. 5. That section 1 of the act approved May 6, 1932 (47 Stat. 149; U.S.C., Supp. VII, title 34, sec. 12), is hereby amended by inserting the words "in 1934 and hereafter" after the words "midshipmen who", and the words "*Provided*, That all former midshipmen graduated in 1933 who received a certificate of graduation and honorable discharge and whether they have since been married or not may, upon their own application, if physically qualified, and under such regulations as the Secretary of the Navy may prescribe, be appointed as ensigns prior to August 1, 1934, by the President, and shall take rank next after the junior ensign appointed in 1933 and among themselves in accordance with their proficiency as shown by the order of merit at date of graduation: *And provided further*, after the words "Naval Academy", and by striking out "in 1932, and at least 50 percent of all graduates in subsequent years: *Provided*", so that as amended the said section will read as follows:

"That the President of the United States is authorized, by and with the advice and consent of the Senate, to appoint as ensigns in the line of the Navy all midshipmen who in 1934 and hereafter graduate from the Naval Academy: *Provided*, That all former midshipmen graduated in 1933 who received a certificate of graduation and honorable discharge and whether they have since been married or not may, upon their own application, if physically qualified, and under such regulations as the Secretary of the Navy may prescribe, be appointed as ensigns prior to August 1, 1934, by the President, and shall take rank next after the junior ensign appointed in 1933 and among themselves in accordance with their proficiency as shown by the order of merit at date of graduation: *And provided further*, That the number of such officers so appointed shall, while in excess of the total number of line officers otherwise authorized by law, be considered in excess of the number of officers in the grade of ensign as determined by any computation, and shall be excluded from any computation made for the purpose of determining the authorized number of line officers in any grade on the active list above the grade of lieutenant (junior grade) until the total number of line officers shall have been reduced below the number otherwise authorized by law."

Sec. 6. That hereafter any staff officer on the active list below the rank of lieutenant commander shall be advanced to the next higher rank in his corps when the running mate of such staff officer or an officer junior to such running mate has been promoted to that higher rank in the line of the Navy or when a vacancy in that rank exists in the line of the Navy which will in due course be filled by the promotion of his running mate or an officer junior to his running mate: *Provided*, That such staff officer is found qualified in accordance with law for such advancement. The provisions of law relating to the advancement

of staff officers now embodied in sections 255, 321, and 348r (supp. VII) of title 34, United States Code, are hereby amended in accordance with this section.

PERMISSION TO ADDRESS THE HOUSE

Mr. CONNERY. Mr. Speaker, I ask unanimous consent that I may be permitted to address the House for 30 minutes tomorrow after the disposition of the business on the Speaker's table and immediately following the gentleman from Texas [Mr. TERRELL].

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—TAX ON PHILIPPINE COCONUT OIL (H.DOC. NO. 388)

The SPEAKER laid before the House the following message from the President of the United States, which was read, referred to the Committee on Ways and Means, and ordered printed:

To the Congress of the United States:

Early in the present session of the Congress the Philippine Independence Act was passed. This act provided that after the inauguration of the new interim or commonwealth form of government of the Philippine Islands trade relations between the United States and the Philippine Islands shall be as now provided by law. Certain exceptions, however, were made. One of these exceptions required levying on all coconut oil coming into the United States from the Philippine Islands in any calendar year in excess of 448,000,000 pounds, the same rates of duty now collected by the United States on coconut oil imported from foreign countries.

It is, of course, wholly clear that the intent of the Congress by this provision was to exempt from import duty 448,000,000 pounds of coconut oil from the Philippines.

Later in the present session the Congress, in the revenue act, imposed a 3-cent-per-pound processing tax on coconut oil from the Philippines. This action was, of course, directly contrary to the intent of the provision in the independence act cited above.

During this same period the people of the Philippine Islands, through their legislature, accepted the provisions of the independence act on May 1, 1934.

There are three reasons why I request reconsideration by the Congress of the provision for a 3-cent-per-pound processing tax:

First. It is a withdrawal of an offer made by the Congress of the United States to the people of the Philippine Islands.

Second. Enforcement of this provision at this time will produce a serious condition among many thousands of families in the Philippine Islands.

Third. No effort has been made to work out some form of compromise which would be less unjust to the Philippine people and at the same time attain, even if more slowly, the object of helping the butter- and animal-fat industry in the United States.

I therefore request reconsideration of that provision of the revenue act which relates to coconut oil in order that the subject may be studied further between now and next January and in order that the spirit and intent of the independence act be more closely followed.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, May 28, 1934.

VETO MESSAGE—THE LATE BRIG. GEN. ROBERT H. DUNLAP (H.DOC. NO. 387)

The SPEAKER laid before the House the following message from the President of the United States:

To the House of Representatives:

I return herewith, without my approval, H.R. 276, entitled "An act to authorize the placing of a bronze tablet bearing a replica of the Congressional Medal of Honor upon the grave of the late Brig. Gen. Robert H. Dunlap, United States Marine Corps, in the Arlington National Cemetery, Va."

The bill authorizes the placing of a bronze tablet bearing a replica of the Congressional Medal of Honor upon the

grave of the late Brig. Gen. Robert H. Dunlap, United States Marine Corps, in the Arlington National Cemetery, without expense to the Government.

The existing regulations governing Arlington National Cemetery now permit replicas in bronze of decorations, such as the Congressional Medal of Honor, the Distinguished Service Cross, etc., to be placed within a sunken panel on monuments or headstones erected in Arlington National Cemetery. Bronze tablets to be placed on a grave itself are not authorized under existing regulations. As it is contemplated placing this tablet at no expense to the Government, the purpose desired could be obtained by adhering to the present regulations either by placing a bronze replica of the Medal of Honor in a sunken panel on the headstone now at the grave of Brigadier General Dunlap, or on a larger monument which may be erected at the grave at private expense in accordance with existing regulations.

The bill is objectionable, as it would establish a precedent and show discrimination against other individuals who have received this decoration and who are or may be interred in Arlington National Cemetery.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, May 25, 1934.

The SPEAKER. The objections of the President will be spread upon the Journal.

Mr. BYRNS. Mr. Speaker, I move that the message of the President and the accompanying bill be referred to the Committee on Naval Affairs and ordered printed.

The motion was agreed to.

LITERARY DIGEST POLL ON THE NEW DEAL

Mr. BRITTEN. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes at this time.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. BRITTEN. Mr. Speaker, my reason for desiring to address the House at this time is to call attention to the manner under which the so-called "new deal" is being approved or disapproved in the Literary Digest poll being made public every week.

To my mind, and I have studied it rather carefully, I do not think there ever was a set-up so perfectly made in advance, so deliberate in its desire, so positive in its effect and results as the one that is being broadcast daily not only by the Literary Digest but by the newspapers of the world as evidence of the backing by the American people of the so-called "new deal." The words "new deal" are used constantly in the Literary Digest articles and are used constantly by the newspapers throughout the country; and, Mr. Speaker, when I say that there never was anything more deliberate, there never was anything more well-defined in advance than this vote on the new deal, I mean literally what I say. The matter was studied in advance for weeks and months, planned to accomplish a certain effect; and it is running true to form; it is accomplishing that effect.

I hold in my hand and show you some of the literature that is being sent out by the Literary Digest to influence the new-deal poll. It is subtle but well done. It has not been treated as if there were 2 candidates or 2 policies presented to the voters; that would be a fair way to obtain the impression of the American people toward the new deal. On the contrary, they send out this pamphlet bearing a fine picture of a handsome President, which no one would feel in the mood to discourage or to treat lightly. With that face on a letter you could accomplish almost anything [applause]; and that is the reason I say, Mr. Speaker, that this poll was so cunningly planned. Instead of mailing out a ballot which spoke for itself, the Digest propagandized the prospective voter with a picture of the President and a letter which in itself practically endorsed the new deal, whatever that might encompass. It was as unfair as the endorsement of but one candidate in an election poll.

The success of the new deal depends almost entirely upon the national approval of the National Industrial Recovery

Act. As N.R.A. stands for Gen. Hugh Johnson, his face should be published in the Digest propaganda and not the President, because, after all, Gen. Hugh Johnson and the N.R.A. are synonymous throughout the country. There is no division between them; they are one.

Mr. BYRNS. Mr. Speaker, will the gentleman yield?

Mr. BRITTEN. I yield.

Mr. BYRNS. The gentleman is complaining on account of the tremendous popularity of the President and because his picture has been placed upon the pamphlet to which the gentleman refers. I grant the gentleman that the President's popularity will carry any proposition that is submitted to the people in his name today. [Applause.]

The gentleman says that General Johnson's picture should be on the pamphlet rather than that of the President because, he claims, that the President had nothing to do with it. I ask the gentleman, Who issued the Executive order under which General Johnson is acting?

Mr. BRITTEN. Aside from the issuance of the Executive order, the President does not know any more about these hundreds of codes than does the gentleman from Tennessee himself.

Mr. BYRNS. The gentleman from Illinois is entirely mistaken about that. The gentleman is making statements that are unsupported by any information he has.

Mr. BRITTEN. Is the gentleman asking me a question?

Mr. BYRNS. No; I am replying to complaints made by the gentleman.

Mr. BRITTEN. I thought the gentleman from Tennessee desired to ask me a question; excuse me.

The truth of the matter is, of course, as the distinguished gentleman from Tennessee indicates, the President did sign these codes; but is there any Member in this House with sufficient gullibility to seriously suggest that the President read them? If he started to read the 435 or more codes, it would take him until a year from next summer to accomplish that feat alone, and then he could not possibly comprehend them. Their operations and effects are so varied.

There is no question but that General Johnson is the N.R.A., and the N.R.A. is General Johnson; and they started to crack up on him on yesterday.

Mr. Speaker, the price fixing, which, under N.R.A. codes has become so common, is not authorized by the terms of the National Industrial Recovery Act. The act provides merely that, when the President finds destructive wage or price cutting, he may issue licenses. The act does not say he may fix prices. On the contrary the Supreme Court has held that price fixing is an "unfair method of competition."

It is true that section 5 of title I of the N.I.R.A. gives temporary exemption from the provisions of the antitrust laws. But, Congress never intended, in granting this exemption, to authorize price fixing. On the contrary, Senator WAGNER, who sponsored the N.I.R.A. bill in the Senate, explained on June 8, 1933:

I have reiterated on the floor two or three times, and it was stated any number of times in the committee, that prices shall not be fixed, because the fixing of prices is not in conformity with the preservation of fair competition.

So much for that. But there is more. The act specifically forbids monopolies. Monopolies, according to the Supreme Court, are not merely industrial concentrations. Monopolies are also restraint of trade "by means of every contract, combination, and so forth." It is, therefore, unreasonable to assume that Congress in the same act would forbid monopolies and authorize monopolies—that is, combinations under codes to fix prices and restrain trade.

The country is entitled to a clear explanation from the Government on this essential point of law. For if I am correct, not only is current price fixing in the codes illegal, but its beneficiaries are liable to full prosecution under the Sherman Act. However, the gentleman has accomplished his purpose; he has taken me away from my subject matter. [Laughter.]

Your personal vote is critical and important.

If the majority of the citizens of the United States believe in President Roosevelt's policies, then they should support these policies by a mighty vote of approval.

I wish the Digest would manage my campaign in Chicago next October. I think this is a work of art. If you approve of the President's policies, just put a cross in the square marked in front of the word "yes" and let it be a mighty vote of approval. That language is right under the President's picture.

In another accompanying pamphlet they go on and show pictures of the mighty employers of labor, and the mighty employers of money, who back the new deal. The first name on the list favoring the new deal is Walter C. Teagle, president of the Standard Oil Co. of New Jersey. Let us see what he says:

It is apparent that President Roosevelt is feeling his way by trial and error to a more equitable distribution of the national income and more power to him. It is the only ultimate insurance of human welfare and community property.

Walter Teagall says that he is looking for an equitable distribution of the income of the country, and that is the wealth of the country. He certainly is looking for distribution of that income. He practices what he preaches. His Standard Oil Co. has raised the price of gasoline three times in the last 90 days. He is distributing the income and wealth by collecting it. Of course, the Standard Oil Co. is for the new deal, because it permits the company to fix prices throughout the United States to the detriment of the little oil producer. What do they care about the consumer, the little man on the street, or the farmer? Let them pay. What do they care about them. The gentleman from California has just shown me a Standard Oil bill coming up next week. I wish I had the time to read it. If I said anything about that bill now, it would be like the fellow in the White House, who signs all these codes without knowing what is in them. No human being could read all of them and know what is in the codes, because he would not live long enough.

The Standard Oil Co. is for this distribution of income, because the new deal permits them to promote their monopoly in violation of existing law.

[Here the gavel fell.]

Mr. BRITTEN. Mr. Speaker, I ask unanimous consent that I may proceed for 10 additional minutes.

Mr. BYRNS. Will not 5 minutes be sufficient? I may say to the gentleman that we have some rules and election contests to take up this afternoon.

Mr. BRITTEN. I was told that the gentleman had but one bill, and was then going to quit. It is only 2 o'clock in the afternoon.

Mr. BYRNS. I shall have to object to 10 minutes. I am willing that the gentleman may have 5.

Mr. BRITTEN. I will go along as rapidly as I can. Mr. Speaker, I ask unanimous consent that I may proceed for 5 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. BRITTEN. The next gentleman whose picture appears for new-deal endorsement and propaganda is Mr. Thomas Lamont, of J. Pierpont Morgan & Co. Why would not Lamont be for the new deal? It would be absurd to suggest that he is not for the new deal. I should like to quote his language because it deals entirely with money, and the gold standard which he figures is still in doubt, but yet he is for the new deal.

We (the firm of J. P. Morgan & Co.) have not opposed the present administration, but from the very start have cordially supported it. Immediately upon the withdrawal from the gold standard Mr. Morgan issued a public statement—a thing very rare for him to do—upholding the administration's declaration. Members of this firm have since made it clear upon many occasions that we regarded this step as having been of extraordinary benefit to the American people as a whole.

Then Charles M. Schwab, president of the Bethlehem Steel Corporation, is shown here.

We are all behind the President supporting him, of course. I can't flatter myself that I can read exactly how these innovations—so new to me and my experience in business—will turn out. I have always been an optimist. I am determined to continue an

optimist, even though I don't pretend to be able to size up the wisdom or the unwisdom of all the novel experiments now being tried.

Why would not the big steel companies and the steel people generally be for the new deal? You would examine their heads for lunacy if they were not for the new deal.

Every nail that goes into a farmhouse, every piece of steel that is transported over the United States today moves under a price fixed by the Steel Corporation. It moves under a fixed price set by this tremendous monopoly in distinct violation of existing law.

Then there is Pierre S. du Pont, partner of John Raskob, and chairman of the E. I. du Pont de Nemours Corporation. Why would not Du Pont, with a thousand million back of him in corporation stocks, be for the new deal? He controls General Motors, and I may say also that there is a statement from a General Motors man that I shall refer to in a minute.

I went to Washington thinking that N.R.A. was an upsetting influence in business and in labor conditions. I confess that I have been completely converted. Everyone who goes to Washington learns very quickly the meaning of N.R.A. and becomes enthusiastic.

Of course these men are for the new deal, and everybody who reads their statements before putting a cross in front of "yes" or "no" is impressed by what they say, these great industrial magnates, these men who employ labor by the millions. The suggestion will be made in the press of the country that this poll being conducted by the Literary Digest shows a 2½ or 3 to 1 vote in favor of the President's new deal. [Applause.]

I know what you are applauding. You are applauding the trick that has been put across by the Literary Digest, and I do not blame you. I think it was a very clever piece of politics to send this into the home of an old maid, for instance. Do you think she would vote against anything that this handsome man [holding up a picture of President Roosevelt] sponsored or was apparently sponsoring? [Applause.]

When the Literary Digest printed these pictures of distinguished industrialists and distinguished politicians, you did not see Al Smith's picture included. We all know what he would say about the new deal. You do not see a statement from the distinguished former Senator from Missouri, Mr. Reed. You do not see his picture, and you did not see quoted his impression of the new deal. You did not see the picture of my distinguished friend on the other side of the Capitol, Senator CARTER GLASS, and his impressions of the new deal. They are not printed 15,000,000 times for the benefit of influencing judgment. Oh, no. You did not see anything about the gentleman whom the President himself selected to head a very important board in the N.R.A., Clarence Darrow.

I am told he has a very well-defined idea about this new deal and its manipulation and disastrous effect upon the little business man as well as the consumer.

You do not see anything in there from the Attorney General or from the Federal Trade Commission.

Mr. HENNEY. Does the gentleman endorse Darrow's views?

Mr. BRITTEN. Where he refers to monopolies and price fixing; yes.

Mr. HENNEY. The gentleman is crying because he is not included there.

Mr. BRITTEN. No; I am not crying; I am laughing. This artful method of making people vote the way you want them to would make a horse laugh. [Laughter.]

Mr. HENNEY. The gentleman is referring to the wrong species.

Mr. TRUAX. Will the gentleman yield?

Mr. BRITTEN. No; not now.

The fact of the matter is that under the new deal everybody knows—your Attorney General knows, your President knows, Gen. Hugh Johnson knows, your Federal Trade Commission knows—and they will admit it if questioned—that monopolies have been formed and are operating under a price-fixing code which is destructive of the little business man and destructive of the income of the consumer and is

bound to crack up and ultimately destroy the Democratic Party. [Applause.]

Mr. Speaker, the expected cracking-up of the N.R.A. was started today when Gen. Hugh Johnson was authorized by the President to suspend operations of such codes of the service trades and industries as he (Johnson) concluded were not adding to the public welfare or which were not meeting with success and approval of those trades and industries.

By the Executive order General Johnson himself is designated as the sole authority to decide which codes should be scrapped. The hundred or more code authorities now in Washington representing thousands of industries will not be called in to determine for themselves the wisdom of this action nor will they be consulted as to which of the industrial codes should be thrown into the wastebasket. They have not been consulted heretofore, and there is no reason why they should be consulted now.

The next step of the N.R.A. will be to announce that the steel, oil, and practically every other important code is operating in violation of the law in the direct promotion of monopolies which are not only destroying the smaller business man and industrialist but are working a great burden upon the American consumer and farmer.

The N.R.A. law distinctly provides against the setting-up of monopolies, and no one knows this better than the President himself, General Johnson, the Attorney General, and the Federal Trade Commission. Unless price-fixing monopolists are halted in their manipulation of prices and combinations in restraint of trade, I will introduce a resolution for a searching congressional investigation which will immediately prove beyond the slightest doubt that the N.R.A. is the direct cause of law violations never intended by Congress.

When I say that the President himself, General Johnson, the Attorney General, and the Federal Trade Commission agree that trade monopolies now exist in practically every line of trade endeavor, I know what I am talking about and that they will admit it when questioned.

I shall by congressional resolution call upon the Federal Trade Commission to perform its duty and advise Congress concerning the illegality of the price-fixing monopoly-making codes.

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

Mr. THOMPSON of Texas. Mr. Speaker, will the gentleman withhold that a moment?

Mr. BLANTON. I want to answer the gentleman from Illinois.

Mr. SNELL. Mr. Speaker, I am not going to object to the gentleman having 5 minutes, but I should like to ask the majority leader what will be the program for the balance of the afternoon.

Mr. BYRNS. I may say to the gentleman that there are not going to be any more speeches by unanimous consent until we consider this election contest and the rule that the gentleman from New York is going to call up. I regret that the gentleman from Illinois saw fit to take this time, and I am not going to object to the gentleman from Texas having 5 minutes; but, so far as I am concerned, I think it is entirely unnecessary for the gentleman to answer the gentleman from Illinois, because the gentleman from Illinois, partisan Republican that he is, has made the best Democratic speech in behalf of the President and in favor of the election of a Democratic Congress in November that I have heard. [Applause.]

Mr. SNELL. If the statement made by the majority leader is correct, it is not necessary to take the time of the House to answer the speech.

The SPEAKER. The gentleman from Texas asks unanimous consent to proceed for 5 minutes. Is there objection?

Mr. RICH. Mr. Speaker, reserving the right to object, I should like to ask the majority leader if he would be willing that I may have 5 minutes in order that I may explain something that is vital to the welfare of the Membership of the House, coming from the Joint Committee on Printing.

Mr. BYRNS. Will not my friend wait until we dispose of these other matters?

Mr. RICH. May I have the time later on in the day?

Mr. BYRNS. The gentleman can wait as well as these other matters; and following their disposition, I shall not object.

Mr. RICH. Mr. Speaker, I ask unanimous consent that I may have 5 minutes at such time this afternoon as may be designated by the majority leader.

The SPEAKER. The gentleman can submit his request later.

Is there objection to the request of the gentleman from Texas to proceed for 5 minutes?

There was no objection.

Mr. BLANTON. Mr. Speaker, the Republicans have a leader on the House floor, but they have no national leader in the United States, and this is what is bothering them. This is bothering the gentleman from Illinois [Mr. BRITTEN] because he knows that the Literary Digest, when it has a poll, it is usually a correct one. It has proven itself in past history.

The gentleman now complains because, he says, "all of the old maids in the United States are for the present President." It is not merely the old maids—it is the young maids, it is the married women, it is the married men, it is the bachelors, it is the business men, it is the farmers, it is the men in the ditches, it is the men on the street, it is everybody for the President of the United States, Franklin D. Roosevelt, and that is bothering the gentleman. [Applause.]

The gentleman from Illinois [Mr. BRITTEN] cannot forget that when, in the public places, in the picture shows and theaters, the picture of his last President was thrown on the screen, smiles left the people's faces and they became blue and glum. There was not a bit of applause. But you let the present President's picture be thrown on the screen anywhere in the United States and you will hear loud applause in every picture house and public gathering in the United States. This is what is bothering the gentleman from Illinois and he cannot get over it. It is working on him.

Four hundred and thirty-five Members of the House could not agree on any code. Ninety-six Senators could not agree on any code. There is not a single code we could all agree upon. If left to ourselves we probably would have 435 different programs here in the House.

But President Franklin D. Roosevelt has one program. He is one man who has a definite policy. He is the man who is putting his policy and his program into effect to bring about economic recovery in this country. And we Democrats are backing him, whether we believe in some of his codes or not; we believe in him, and we have confidence in him.

I do not agree with lots of these codes, but I am following the President just the same. Some of these codes look ridiculous to me, but I am following the President just the same. Some of the codes may look ridiculous to some of my constituents, but if you take my constituents as a whole, they are for the President because he has a definite plan and a definite program, and they are behind the President in Kentucky and in Texas and in Illinois, and everywhere else in the United States. We may not like some of his codes, but we like our President. He will properly rectify the bad codes just as fast as he can reach them.

Why does not my friend from Illinois [Mr. BRITTEN], with all his astuteness, with all his skill and ability, with all of his experience as a legislator, why does he not quit his snarling and backbiting and get behind the President? Why does he not stand up with the rest of the people?

Mr. WEIDEMAN. What about the result of the primary in Illinois?

Mr. BLANTON. That evidenced President Roosevelt's popularity. We all like FRED BRITTEN, in spite of his faults. We seated him here the other day instead of a Democrat.

Mr. BRITTEN. And you are going to do it next January. [Laughter.]

Mr. BLANTON. The gentleman from Illinois [Mr. BRITTEN] has made himself more popular this morning on both sides of the aisle by the frank admissions in his speech than anything else he has done since he has been a Member of Congress, because he shows exactly what the power of the President is when his picture is exhibited in the Literary Digest, as well as upon the screen in the theaters.

Mr. CONNERY. Will the gentleman yield?

Mr. BLANTON. I have not much time, but I could not refuse to yield to my good friend from Massachusetts.

Mr. CONNERY. If the N.R.A. had done nothing else except to abolish child labor, to abolish the "yellow dog" contracts, giving labor the right to collective bargaining, they would have been worth while.

Mr. BLANTON. I want to say this to my friend from Illinois [Mr. BRITTEN]—he would be mighty glad to have the Standard Oil Co. on his side of the aisle; he would be mighty glad to have this French Delaware corporation, whose name he could not pronounce, on his side of the aisle; he would be glad again to have the Steel Trust on his side—he has had the Steel Trust ever since it was organized on his side—but these men now realize, together with all other business men, that they have followed you until you ruined some of them financially, and now they, along with all the workers, are for the President. [Applause.]

[Here the gavel fell.]

THE BANKRUPTCY BILL

Mr. McKEOWN. Mr. Speaker, I ask unanimous consent that the conference report on the bill H.R. 5884, the bankruptcy bill, be recommitted to the conferees in order to correct an error.

The SPEAKER. Is there objection?

There was no objection.

ELECTION CONTEST, SEVENTY-THIRD CONGRESS, SECOND DISTRICT OF CONNECTICUT

Mr. THOMPSON of Texas. Mr. Speaker, I call up House Resolution 296, the contested-election case of the Second District of Connecticut.

The Clerk read the resolutions, as follows:

Resolved, That William C. Fox is not entitled to a seat in the House of Representatives of the Seventy-third Congress from the Second Congressional District of the State of Connecticut.

Resolved, That William L. Higgins is entitled to a seat in the House of Representatives of the Seventy-third Congress from the Second Congressional District of the State of Connecticut.

The resolutions were agreed to.

CONTESTED-ELECTION CASE OF BREWSTER V. UTTERBACK

Mr. THOMPSON of Texas. Mr. Speaker, I call up House Resolution 390, in the contested-election case of *Brewster v. Utterback*, of the Third Maine District.

The Clerk read the resolutions, as follows:

Resolved, That Ralph O. Brewster is not entitled to a seat in the House of Representatives of the Seventy-third Congress from the Third Congressional District of the State of Maine; and further

Resolved, That John G. Utterback is entitled to a seat in the House of Representatives of the Seventy-third Congress from the Third Congressional District of the State of Maine.

The resolutions were agreed to.

Mr. PATMAN. Will the gentleman yield?

Mr. THOMPSON of Texas. I yield to the gentleman from Texas.

N.R.A. IMPROVEMENT OVER TRADE-PRACTICE CONFERENCES

Mr. PATMAN. Mr. Speaker, I just want to say a word about the difference between trade-practice conferences and the N.R.A.

Commencing in 1925, we had a Federal Trade Commission that refused to follow the law and adopted a policy that was contrary to the public interest. Before 1925 there had not been many trade-practice conferences because the different industries did not have the incentive to organize them. Beginning then, the Federal Trade Commission adopted the policy of letting the representatives of the different industries get together and organize themselves, even under the guidance and with the assistance of the Federal Trade Commission.

TRUST-FORMING ORGANIZATION

Such an organization resulted in the sky being the limit as to prices. It resulted in labor not being protected and it resulted in the destruction of independent business and in creating monopolies and trusts. There was nothing done at these conferences toward prohibiting child labor or controlling the hours of work. There were no provisions for minimum wages and maximum hours. I opposed the activities of the Federal Trade Commission in organizing, condoning, or permitting these conferences for the reasons I have just stated. I even went so far as to oppose the appropriations for the Federal Trade Commission when the bills came on the floor of this House. One time in December 1932, when I was fighting against an appropriation for the Federal Trade Commission that would further encourage these trade-practice conferences, I received information that as soon as the President-elect came into office in March 1933 he was going to change that; he was going to have something set up in the form of the N.R.A. that would protect the public, independent business, and labor, and such conferences would not be tolerated. After I was convinced it would take the place of the Federal Trade Commission, insofar as trade-practice conferences were concerned, I withdrew my opposition to the appropriation for the Federal Trade Commission because I did not want to interfere with the good work it was doing in other directions. The N.R.A. has been organized as it was contemplated. They have what may be termed "trade-practice conferences." They are called "conferences to agree upon a code."

LABOR, CONSUMERS, AND SMALL BUSINESS PROTECTED

Unlike the trade-practice conferences organized under the Republican administration, the public, labor, and independent business are protected under the codes. Instead of the sky being the limit as to prices, the consumer is protected. Instead of labor receiving nothing, the laboring man is protected now. Under the trade-practice conferences, industries were encouraged to organize monopolies and trusts. They cannot do that now. The independent is protected. So as between trade-practice conferences under the Republican administration, where there was no protection for labor, as was stated by the gentleman from Massachusetts [Mr. CONNERY], where there was no protection for the consumer, where the sky was the limit as to prices, and where they were encouraged to organize monopolies and trusts in their own interests, and the N.R.A., which protects the consumer, which protects labor, which prohibits monopolies and encourages independent business, I am in favor of the N.R.A.

Mr. RANDOLPH. Will the gentleman yield for one observation?

Mr. PATMAN. I yield.

Mr. RANDOLPH. I am in hearty accord with what the gentleman has said. In West Virginia the coal industry has really been put back on its feet again by the N.R.A. It has been the salvation of that industry, both as to the employers and the employees.

Mr. PATMAN. Between 1925 and 1933, under a Republican Federal Trade Commission and a Republican administration, more than 100 large industries in this country were organized in trade-practice conferences, as I have outlined, and the public was absolutely unprotected. The N.R.A. is protecting those who were helpless under the Republican administration.

DIFFERENCE BETWEEN N.R.A. AND TRADE-PRACTICE CONFERENCES UNDER REPUBLICAN ADMINISTRATION

Under the codes there are provisions against child labor, for minimum wages and maximum hours, allowing labor to bargain collectively, protecting consumers against exorbitant prices, protecting small business enterprises, and discouraging monopolies and trusts. Trade-practice conferences only helped the owners of the industry and disregarded the many benefits under the N.R.A. The representatives of an industry enforced the trade-practice rules, whereas under a code under the N.R.A. labor is protected by a labor advisory council, the consumers are protected by a

consumers' advisory council, and the industry is protected by an industrial advisory council.

Mr. RICH. Will the gentleman yield to me?

Mr. THOMPSON of Texas. I yield to the gentleman from Pennsylvania 5 minutes.

Mr. BYRNS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BYRNS. I am not going to object to this request, but is it in order for the gentleman from Texas to yield for general debate on a proposition of this sort?

The SPEAKER. It is not the practice.

Mr. BYRNS. I am not going to object to the request of the gentleman from Pennsylvania, but I want to call attention to the fact that general debate is not in order under a motion such as the gentleman from Texas has made.

Mr. SNELL. It certainly is not; and I am glad the gentleman has called attention to that fact. The rules ought to be complied with.

Mr. RICH. Mr. Speaker, I ask unanimous consent to have 5 minutes after the conclusion of the bills now before the gentleman.

Mr. BYRNS. I am not objecting to the gentleman from Pennsylvania addressing the House at this time.

Mr. RICH. Mr. Speaker, the Joint Committee on Printing advertised for bids for paper and envelopes for the Federal Government for a period of 6 months or 1 year, beginning July 1, 1934. The reason for the request being for a 6-month to 1-year period was because the members of the committee really expected Congress to adjourn by July 1, and that would eliminate the necessity for their coming to Washington before January 1 next to renew contracts. The Public Printer also could function in doing the work necessary and could conduct his department in the best possible manner by having the supply of material furnished by contract.

The bids were to be opened Monday, May 21, 1934. The joint committee met on that date, and several members were notified by some of the bidders before entering the committee room that they were only permitted to bid for a 3-month period on account of the paper-code authority or N.R.A. not permitting a longer-period contract.

The Joint Committee on Printing then discussed the advisability of opening the bids on Monday, May 21, and after looking at the situation from all angles decided to notify the code authority of the paper industry and the N.R.A. that the Joint Committee on Printing wanted to secure contracts for at least 6 months to 1 year—at the request of the Printing Office. At this meeting the following resolution was adopted by the Joint Committee on Printing:

Whereas section 4 of the Printing Act of January 12, 1895, provides that the advertisements for paper proposals "shall specify the minimum portion of each quality of paper required for either 3 months, 6 months, or 1 year, as the Joint Committee on Printing may determine": Therefore, be it

Resolved, That in view of the apparent uncertainty among the paper trade as to whether the Joint Committee on Printing would consider proposals for furnishing paper for the public printing and binding for a term of 3 months beginning July 1, 1934, in accordance with the action taken by the paper-industry authority, instead of 6 months or 1 year, as advertised for by the Public Printer, in compliance with the direction of the Joint Committee on Printing, the committee do now take a recess until 10 o'clock a.m., Friday, May 25, 1934, in order that all bidders whose sealed proposals have been received up to 10 o'clock a.m. on Monday, May 21, 1934, shall be given an opportunity to file a statement, if they so desire, that their respective proposals may be considered for a period of 6 months or 1 year, which was determined by the Joint Committee on Printing on April 26, 1934, under authority of section 4 of the Printing Act of January 12, 1895.

On Friday, May 25, the committee met; and I sat 3 hours listening to the opening of 50 bids, in which the prices were practically all uniform—the same. The length of time they were permitted to bid being 3 months, thus the Joint Committee on Printing had no bids for paper except for envelopes, and the committee let the contract for this material for 1 year. There seems to be no restriction of time by N.R.A. on envelop paper.

Now, the situation is just this: That all the advertising is lost; all the work done by the committee was for naught,

as the N.R.A. would not permit the manufacturer to bid for more than 3 months, whereas the Joint Committee on Printing requested bids on a period of 6 months to 1 year. Therefore the law permitting the Joint Committee on Printing to function is violated by the N.R.A. They could not function according to law on account of N.R.A. The joint committee could not let contracts for 6 months as per their advertisement for bids, because the manufacturers were prohibited from submitting bids for a 6-month period or longer.

Would not the manufacturers be better off if they had work for 6 months or 1 year ahead on contract so they could in an orderly procedure conduct their business rather than compelling the Public Printer to purchase his requirements on the open market? This would cause the Government to do business in a disorderly fashion and contrary to good regulated business principles.

Is the N.R.A. cooperating with business or is it hindering it? Is the N.R.A. permitting the Government committees to function according to law or is the N.R.A. hindering the Joint Committee on Printing from functioning according to law? This I will let each Member of Congress ask himself.

Why not ask the N.R.A. to function for the best interests of the Government, the manufacturers, the laborers, and the taxpayers?

Mr. THOMPSON of Texas. Mr. Speaker, I move the adoption of the resolution.

The SPEAKER. The question is on the adoption of the resolution.

The resolution was agreed to.

A motion to reconsider the vote by which the resolution was agreed to was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9068) to provide for promotion by selection in the line of the Navy in the grades of lieutenant commander and lieutenant; to authorize appointment as ensigns in the line of the Navy all midshipmen who hereafter graduate from the Naval Academy; and for other purposes.

ESTABLISHMENT AND OPERATION OF FOREIGN-TRADE ZONES

Mr. O'CONNOR. Mr. Speaker, I call up House Resolution 381.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H.R. 9322, a bill to provide for the establishment, operation, and maintenance of foreign-trade zones in ports of entry of the United States to expedite and encourage commerce, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed 30 minutes, to be equally divided and controlled by the Chairman and ranking minority member of the Committee on Ways and Means, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion, except one motion to recommit.

With the following committee amendment:

Page 1, line 9, strike out the words "thirty minutes" and insert in lieu thereof the words "one hour."

Mr. MARTIN of Massachusetts. Mr. Speaker, a point of order. I make the point of order that a quorum is not present.

The SPEAKER. Evidently there is no quorum present.

Mr. BYRNS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 148]

Abernethy	Ayres, Kans.	Bloom	Browning
Adams	Bailey	Boland	Brumm
Allgood	Beck	Boylan	Buckbee
Andrews, N.Y.	Berlin	Brennan	Bulwinkle
Auf der Heide	Black	Brooks	Cannon, Wis.

Carley	Foulkes	Kurtz	Rudd
Carter, Calif.	Frear	Kvale	Seger
Cavichia	Frey	Lambeth	Shallenberger
Celler	Goldsborough	Lanzetta	Shoemaker
Chapman	Granfield	Lea, Calif.	Simpson
Chase	Green	Lee, Mo.	Sirovich
Church	Greenway	Lehibach	Sisson
Claiborne	Griffin	Lesinski	Smith, Va.
Clark, N.C.	Guyer	Lewis, Md.	Smith, W.Va.
Cochran, Pa.	Haines	Lindsay	Snyder
Cooper, Ohio	Hamilton	Lloyd	Somers, N.Y.
Corning	Hancock, N.Y.	McDuffie	Stalker
Crump	Hancock, N.C.	McLean	Steagall
Dickstein	Hart	McMillan	Strong, Pa.
Dies	Healey	Marland	Studley
Dingell	Hoeppel	Monaghan, Mont.	Sullivan
Disney	Holdale	Moynihan, Ill.	Swank
Douglass	James	Muldowney	Tobey
Doutrich	Jeffers	Murdock	Traeger
Durgan	Jenckes	Norton	Wadsworth
Edmonds	Jenkins	Perkins	Waldron
Ellenbogen	Johnson, Okla.	Peterson	Weaver
Ellzey, Miss.	Kee	Powers	Welch
Fiesinger	Kennedy, Md.	Ramspeck	Willcox
Fitzgibbons	Kenney	Rayburn	Wilson
Flannagan	Kerr	Reid, Ill.	Withrow
Ford	Kleberg	Rogers, Okla.	

The SPEAKER. Three hundred and four Members have answered to their names, a quorum.

On motion of Mr. BYRNS, further proceedings under the call were dispensed with.

The doors were opened.

FOREIGN-TRADE ZONES

Mr. O'CONNOR. Mr. Speaker, I yield 30 minutes to the gentleman from Massachusetts [Mr. MARTIN].

Mr. O'CONNOR. This is a rule providing for the consideration of the bill H.R. 9322, known as the "free port" bill. For years we have heard about free ports. They are now called "foreign-trade zones." This bill provides for the establishment of free ports in the United States to be controlled by a commission made up of three Cabinet officers.

The rule provides for 1 hour of general debate. It is a wide-open rule, and the bill will be read for amendment under the 5-minute rule. It was represented to the Rules Committee that this bill had been reported from the Ways and Means Committee, that there was very little opposition to it; that for many years there has been a great deal of agitation throughout the country for the establishment of free ports in America. It was also represented to the Rules Committee that there were 41 free ports throughout the world; that the establishment of free ports or foreign-trade zones in this country would increase our foreign commerce, which is a thing we very much desire; that it would not interfere with the collection of customs duties, but on the other hand would afford an economy in their collection.

The policy established in the foreign-trade zone bill is one that has been advocated and endorsed for many years by the Chamber of Commerce of the United States and practically all the leading chambers of commerce in the cities where there are ports. It has been endorsed by the Secretary of the Treasury and by the Secretary of Commerce. They have stated that the enactment of such a bill would aid the reestablishment of our foreign trade, that it would not interfere with our domestic manufacturers or with our domestic commerce, these being amply protected in the bill. Because of these representations, the Rules Committee saw fit to bring this measure out on the floor of the House as a piece of legislation which should be considered before Congress adjourns 2 months from now. [Laughter.]

A bill not entirely identical with this passed the Senate; but I understand the Committee on Ways and Means saw fit to report the House bill as more nearly meeting the situation than the Senate bill.

Mr. Speaker, I reserve the balance of my time.

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield 15 minutes to the gentleman from California [Mr. WELCH].

Mr. WELCH. Mr. Speaker, the bill under consideration, H.R. 9322, like its companion bill, S. 2001, is not new legislation. The latter bill passed the Senate unanimously.

Legislation having for its purpose the establishment and operation of foreign-trade zones within the ports of the United States has been before Congress for a great many

years. It is not, therefore, either new or surprise legislation. To be exact, during the Sixty-fifth Congress, on May 3, 1918, the Senate Committee on Commerce referred to the Tariff Commission Senate bill 4153, which had the same purpose as the pending bill. The Tariff Commission made an exhaustive study of the matter. Hearings were held in San Francisco, Chicago, New York, New Orleans, Galveston, and other leading commercial and seaport cities of the United States. The Commission finally submitted a report to Congress, 6 months later. Their report is rather lengthy, but for the information of the Members present I shall read the concluding paragraph of that report:

After exhaustive study of foreign institutions and careful investigation of American conditions and mercantile opinion the Tariff Commission recommends the policy of permitting the establishment of free zones in American ports and endorses with certain suggested amendments the bill S. 4153 as shown in the print, analysis, comment, which follows.

That was in 1918. May I state that former President Hoover, while Secretary of Commerce, endorsed this policy. A few moments ago it was stated that the present Secretary of the Treasury endorsed the policy sought to be established by this bill. His predecessor, Secretary of the Treasury Mellon, gave his unqualified endorsement to this policy.

Mr. Speaker, for many years past I have been a staunch advocate of the policy of establishing foreign-trade zones in the United States. I have repeatedly introduced measures to bring this policy into being and have testified before committees of the House of Representatives in their behalf.

I presented the matter for consideration when the Tariff Act of 1930 was before the House of Representatives in the spring of 1929. While I have introduced bills to establish the policy since that time, I have not urged their consideration because of the economic conditions prevailing throughout the country. I did not feel that the various ports were in a position to assume the financial burden necessary to establish foreign-trade zones.

In the hearings held before the Committee on Ways and Means of the House of Representatives when the Tariff Act of 1930 was under consideration I referred to a foreign-trade zone as a place, limited in extent, that differs from adjacent territory in being exempt from the customs laws as affecting goods destined for reexport; it means simply that, as regards customs duties, there is freedom unless and until goods enter the domestic market. A foreign-trade zone is an isolated, enclosed, and policed area in or adjacent to a port of entry, without resident population, furnished with the necessary facilities for lading and unlading, for supplying fuel and ship's stores, for storing goods and reshipping them by land and water; an area within which goods may be landed, stored, mixed, blended, repacked, and reshipped without payment of duties and without intervention of customs officials. It is separated from surrounding territory by a stockade. Goods cannot pass this stockade into the hands of the consuming public without undergoing customs revision and paying the full tariff duty.

One who has not been directly connected with international trade or marine problems can hardly appreciate the advantages which will accrue to American international commerce, as well as domestic labor and industry, from the establishment of foreign-trade zones in each and every port of the United States engaged in reexport business.

As I have stated before committees of this House, the establishment of foreign-trade zones will aid in better carrying out the principle of protection to American labor and industry;

It will encourage the investment of American capital in new industries;

It will employ American labor in work and enterprise now carried on in foreign countries;

It will develop American business in foreign markets and foreign trade;

It will build up centers in the United States for the distribution of the world's merchandise throughout the world;

It will simplify, facilitate, and cheapen the handling of exports and imports;

It will establish large transshipment points in the United States;

It will expedite the loading and unloading of ships;

It will aid in securing return cargoes for American vessels;

It will involve no change of principle not already well established, but merely of procedure; and

It will be a permissive law only.

The development of a consignment and transshipment trade by the use of foreign-trade zones will do much toward rehabilitating, developing, and maintaining our merchant marine. It will assist in restoring to the United States its position of leadership in international commerce.

With a limited number of natural harbors the ports of the United States have become of national importance. They are the gateways to the seven seas. Through them must pass all of the international trade of this vast Nation. The establishment and operation of foreign-trade zones in each of these ports is infinitely more far-reaching than local interest. Foreign-trade zones would have a beneficial influence over areas far greater than State boundaries. Their national importance gives the Federal Government an additional interest.

Because of this national significance of foreign-trade zones, I believe the present measure does not go far enough. I believe the Congress should authorize the establishment of foreign-trade zones as a public-works project, probably in accordance with the terms of the bill now under consideration. Foreign-trade zones so established would be self-liquidating and could be amortized over a period of years so that they would ultimately not cost the Federal Government a single penny. The financial burden of establishing zones, with its sacrifices due to high discount and interest rates, would not be imposed upon the ports and communities where the zones are established.

Mr. CULKIN. Mr. Speaker, will the gentleman yield?

Mr. WELCH. I yield.

Mr. CULKIN. Will the gentleman state how these zones are to be established and financed under this bill? I notice the word "corporation" is used. Are they to be private corporations?

Mr. WELCH. They will be financed by publicly owned ports, or by privately owned ports. As the gentleman perhaps knows, the great major ports of this country are publicly owned. A few are privately owned. So they would be financed, as I said, either by the State or municipalities owning the ports, or by private corporations which now own and control some of the ports of this country.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. WELCH. I yield.

Mr. DONDERO. Will the gentleman give a concrete example of how the free port will operate, taking any given commodity as an example; will he not explain how the system will work?

Mr. WELCH. I should like to comply with my colleague's request but my time will not permit going into the full details of how a free port operates.

While I personally favor the policy long established in the majority of our larger ports of governmental ownership and operation of port facilities as public utilities, I recognize the vested rights of private enterprise in some major ports. In those ports, however, as in publicly owned ports, foreign-trade zones should be operated as public utilities. The interest of the Federal Government, through Public Works financial assistance, would be a step in this direction.

However, the development of final policy in the operation of foreign-trade zones will come gradually through our experience in their operation. In establishing the principle by legislation of this character, we should be interested in safeguarding the heritage of all the American people, while at the same time developing a means for freer handling of international commerce and wider markets for American commodities.

Notwithstanding what I consider to be weaknesses in the present legislation, I shall vote for it, for the inherent principle is a definite and positive step in the right direction. Foreign-trade zones are necessary to the fullest development

and employment of our resources, both in commodities, merchant marine, and labor, and their immediate authorization by the Congress will do much to assist in the restoration of normal international trade.

Mr. Speaker, I yield back the balance of my time.

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield the balance of my time to the gentleman from Massachusetts [Mr. TREADWAY].

Mr. TREADWAY. Mr. Speaker, I am opposed to this measure. I anticipate it will pass the House, so I do not feel I am likely to convince anybody of the demerits of the bill. I realize that Members of the House from seaport sections are naturally in favor of any measure which will increase the commerce of their ports. It could not be otherwise. That is what this bill is designed to do, namely, aid in the local sale of foreign-made goods, and nothing else.

I was asked a moment ago by a Member to give an illustration of how this bill would work. I use this as an example: Supposing that there is a desire to purchase a thousand yards of some kind of cloth. The cloth may be made in this country. A similar cloth is made abroad. If the American-made goods are offered in competition with the foreign-made goods, it is fair to assume that the question of time of delivery would be extremely important. The American manufacturer can deliver his goods within a reasonable time. Possibly they are in his warehouse at the time the customer is looking for the goods.

The man offering the foreign goods must place the order for the goods and have them shipped to this country, thereby incurring considerable delay. But if this bill is passed the foreign-made goods stand on a parity with the American-made goods because of the creation of this zone. You fence the zone in and employ a lot of people to watch that no trespassing is done, and so forth; but the goods are shipped to this country to await sale. If not sold within 2 years then they are auctioned off, under the provisions of the bill. Consequently I do not hesitate to say that this bill follows the Democratic program that we have heard here for some little time of favoring foreign producers. We passed a reciprocal-tariff bill without any information about the kind of reciprocity that would be put into practice. Now we are asked in addition to that to set up a little market place where goods may be sold which are not consigned to a purchaser.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman from Kentucky.

Mr. VINSON of Kentucky. I am certain that the gentleman recognizes the amendment adopted in the committee prohibiting the exhibition of the goods.

Mr. TREADWAY. They cannot be exhibited, but let me cover that matter. I grant the word "exhibit" has been put in there. However, assuming that I am the agent of a foreign manufacturer, I can have in my office in New York City a sample card book, as all dealers do. Those goods are not being exhibited. I have a right to have those samples, and I can say to you as my customer: "Mr. VINSON, I can deliver these goods to you the moment the duties are paid on them because I have them right here in this zone warehouse."

Mr. VINSON of Kentucky. If they are sold and removed from the foreign-trade zone they must pay the full tariff duty.

Mr. TREADWAY. I am not saying that the Government does not get the duty. That is perfectly all right. We get the duty, but we do favor the foreign manufacturer by having the goods available for immediate delivery.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman from New York.

Mr. FITZPATRICK. Will he have to pay for storage in this warehouse?

Mr. TREADWAY. The question was asked a moment ago, Who was going to pay the bill? That is another serious objection to the bill. I suppose the importer will pay the bill, but it will require, in order to complete properly the setting

up of these inland ports of entry and the zone adopted in inland cities, a very large expense, not alone to the actual owners of the goods but likewise to the Government itself, because it means the adding of just that many more employees on the part of the Government. Of course, additional employees mean additional Democratic officeholders.

May I say that the gentleman from New York [Mr. FITZPATRICK] and I were neighbors in Massachusetts. He was born in the next town to where I was born and where I have always lived. I have never had an opportunity to bring this up on the floor, but I am sorry that the gentleman from New York in his youth did not imbibe a little more of our good old Republican doctrine before he moved down to New York State.

Mr. FITZPATRICK. I believe in a fair protective tariff. For this reason, I wanted to ask how they could compete with the American-made goods when they would have to pay for the storage and also the duty.

Mr. TREADWAY. Of course, we all recognize that 9 times out of 10 the foreign goods can be made much cheaper than our goods, in view of the wages paid by the manufacturers abroad, so that they can well afford to pay this storage.

Mr. FITZPATRICK. I am against bringing anything into this country without paying a fair tariff.

Mr. TREADWAY. After all, I am glad to see my good friend did imbibe some good principles before he left Massachusetts.

Mr. BLANTON. I have been wondering how our friend from New York so well outlived the environment of that earlier association.

Mr. TREADWAY. He left there pretty young, but you can see it lasted and still shows in his good judgment.

Mr. McFADDEN. Will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman from Pennsylvania.

Mr. McFADDEN. May I ask the gentleman more particularly about the facilities that will be provided? Do I understand that the Government has to erect these warehouses at each one of these ports?

Mr. TREADWAY. It is my impression that is left to the applicants for the privileges. I think the property has to be furnished by somebody interested in the sale of these goods. This brings up another very interesting question.

All these port facilities are to a certain extent adjoining valuable land. Somebody must have some land they want to sell to the people that are setting up these zones. I do not know anything about that or who they are, but somebody is going to benefit in real-estate transactions by the passage of this bill.

Mr. EVANS. Will the gentleman yield?

Mr. TREADWAY. I yield for a short question.

Mr. EVANS. Further answering the gentleman from Pennsylvania, may I say that in this bill the Government furnishes nothing except supervision. It furnishes no land or facilities in the way of physical property.

Mr. WELCH. Will the gentleman yield?

Mr. TREADWAY. I should like to talk on the bill.

Mr. WELCH. I know the gentleman wants to be fair. When the gentleman asserts that someone has land to sell—

Mr. TREADWAY. I did not assert it. I thought it, and I still think so.

Mr. WELCH. Nearly all of the ports in the United States are owned and controlled either by cities or by municipalities. The cities and municipalities own the land; so they are not going to sell it to themselves.

Mr. TREADWAY. There is plenty of privately owned land.

Mr. COLDEN. Mr. Speaker, will the gentleman yield?

Mr. TREADWAY. I yield.

Mr. COLDEN. In the case of Los Angeles, the city owns 2,000 acres of harbor land; and such a harbor proposition would increase the revenue of the city.

Mr. TREADWAY. That is good. I am pleased that there is some benefit in that way.

Mr. WELCH. And every port on the Pacific coast is in the same position.

Mr. TREADWAY. Let me call your attention to the way this bill is before us. I think it was 16 or 17 years ago that a Member from California, Mr. Kent, brought in the free-zone proposition. It has been hanging around the doors of Congress a good deal of the time since then. When this bill was referred to a subcommittee of the Ways and Means Committee in this Congress, it was reported favorably. We had some conferences in the committee—one I recall, where I asked if it would not be possible to take time enough to hear from the Tariff Commission on the subject; and the Democratic members were so anxious to immediately get the bill passed that we would not even send downtown and get Mr. Page, Vice Chairman of the Tariff Commission, here to tell us about it. The reason for that, Mr. Speaker, is the Tariff Commission—

Mr. CULLEN. Mr. Speaker, I do not like to interrupt the gentleman, but he has just said something about hearings. There were hearings other than those held at this session. We had extensive hearings during the last session of the Congress and Mr. Page appeared before the committee at that time.

Mr. TREADWAY. And he told you at that time there was no reason to pass the bill, and that was a very good reason for your not wanting to hear him this year.

Mr. CULLEN. No; he did not do that. He simply appeared before the committee and expressed his opinion. He was not opposing the bill.

Mr. TREADWAY. He did not favor it.

Mr. CULLEN. As a matter of fact, the Tariff Commission approved the bill.

Mr. TREADWAY. No. It was distinctly stated there was no need of it. The Secretary of Commerce did not favor the bill.

Mr. GIFFORD. Mr. Speaker, will the gentleman yield?

Mr. TREADWAY. I yield to my colleague from Massachusetts.

Mr. GIFFORD. The gentleman has brought out the point about quick delivery and furnishing storage for that purpose. This is dangerous to the manufacturer; but I should like to ask the gentleman about the word "assembled" which appears in the measure. If a manufacturer here has part of the goods necessary, but has to buy other parts in order to complete the manufacture, under this bill he can bring parts from foreign nations and have the goods carried to this free port and assemble them there and in this way practically put out of business the manufacturer here.

Mr. TREADWAY. The language in section 3—

Mr. GIFFORD. That section provides they can be assembled not only to foreign parts, but domestic parts and the parts that heretofore have been purchased in this country will be replaced by foreign parts so the article can be sold cheaper.

Mr. TREADWAY. Here is what can be done. The language of section 3 is, "may not be manufactured or exhibited"—you cannot take foreign material and make it up—

Mr. GIFFORD. But it uses the word "assembled."

Mr. McFADDEN. If the gentleman will yield further there, I want to call attention to the fact that these foreign goods stored in these warehouses in the United States under present law can be financed with Federal Reserve credit at a low discount rate, which at the present time is one-fourth of 1 percent or one-half of 1 percent, and I submit this is unfair to American industry.

Mr. TREADWAY. I thank the gentleman for that information.

Here is what is provided in section 3:

And may not be manufactured or exhibited in such zone, but may be stored, broken up, repacked, assembled, distributed, sorted, graded, cleaned, mixed with foreign or domestic merchandise, or otherwise manipulated.

Mr. GIFFORD. That is the point—mixed with foreign or domestic merchandise.

Mr. TREADWAY. Or otherwise manipulated. Perhaps the advocates of this bill can tell us what is meant by "otherwise manipulated." It goes about the limit.

Mr. WELCH. Is not that permitted under the Tariff Act of 1930, which the gentleman helped to frame?

Mr. TREADWAY. I think anything in the nature of a drawback is all right.

Mr. WELCH. And the language with respect to mixtures to which the gentleman has referred exists in the present tariff act which the gentleman helped to frame.

Mr. TREADWAY. I have very little time, and I must refuse to yield further. The gentleman does not need to argue the matter with me further. We are on opposite sides on the merits of the bill. There is no question but what you can practically lose the identity of the foreign goods under this language. Therefore I insist you cannot be more unfair to the American manufacturer than by giving the foreigner this benefit with respect to competition.

This is right along the usual line of the desire and the effort in this present Congress to favor the foreigner over the American producer, and I am not for that type of legislation and never have been.

Mr. WEIDEMAN. Will the gentleman yield for a brief question?

Mr. TREADWAY. Certainly.

Mr. WEIDEMAN. I am looking for information. I do not know whether I am going to be for this bill or against it, but I cannot see now how this bill is going to help a single American manufacturer. Does the gentleman know how it will do this?

Mr. TREADWAY. On the contrary, it puts the American manufacturer at an extreme disadvantage.

Mr. WEIDEMAN. If the gentleman will yield for a further question, under the laws governing the Federal Reserve banks and in conformity with what the gentleman from Pennsylvania [Mr. McFADDEN] has just said, foreign commercial paper is discounted in the Federal Reserve banks, which means that the taxpayers and the people of the United States will now be financing all these foreign shipments of goods into the United States at the low rate of one twenty-sixth of 1 percent.

Mr. TREADWAY. I should think after the statement the gentleman has just made, he would know how he is going to vote with respect to this bill. [Laughter.]

Mr. WEIDEMAN. I am asking this for the benefit of the other fellow, too.

Mr. TREADWAY. Now, there are several other features I desire to speak of, but we have consumed practically all the time allowed under the rule. I think it would be well to adopt the rule and then have the debate later on.

Mr. CONNERY. Will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman.

Mr. CONNERY. I have had an open mind on the bill, but after the remarks of the gentleman from Massachusetts [Mr. TREADWAY] and the questions asked him I am going to vote "no." The President discovered only yesterday or the day before along the lines of what the gentleman from Massachusetts said that we are in great danger from foreign imports, so much so that he has used his power given in the N.R.A. to put an additional tax on Japanese rugs.

Mr. TREADWAY. Would it not be desirable to do the same thing on shoes?

Mr. CONNERY. Yes. As the gentleman from Massachusetts said, if you have a mingling of domestic and foreign articles it would ruin the American manufacturer.

Mr. TREADWAY. Take the Czechoslovakian shoes. They can bring them in to the free zone, take samples to Lynn, and sell those shoes out of that free zone.

[Here the gavel fell.]

Mr. O'CONNOR. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, I am very sorry to hear the gentleman from Massachusetts [Mr. CONNERY] jump so quickly to a conclusion. I am afraid that my friend does not realize that the gentleman from Massachusetts [Mr. TREADWAY] has not pointed out anything in the bill that is not in the Hawley-Smoot Tariff Act, referring to assembling and mixing.

The gentleman from Massachusetts [Mr. TREADWAY] says that by the passage of this bill we give the power to assemble

and manipulate, and so forth. There is nothing in that that is not contained in the tariff law passed in 1930, which the gentleman from Massachusetts helped to draft. That bill now exists, and goods are coming into bonded warehouses under it.

Every time a bill comes in my friend here raises the political flag. I greatly respect the gentleman from Massachusetts, and have a high regard for him personally, but he should not overlook the fact that distinguished members of his party have tried to bring about its passage in the past. This is not a Democratic measure. It is supported by members of both parties.

This bill comes in here, and the gentleman from Massachusetts [Mr. TREADWAY] takes the floor, and what does he say? He says it is the usual Democratic program to favor the foreign manufacturer. That is incorrect. There are no tangible facts to support such a statement. The Boston Chamber of Commerce favors it. The maritime association of Boston favors it—both located in Massachusetts. From my experience and knowledge, 90 percent of the members of these organizations are not Democrats, although they are both fine organizations.

It is easy to make general statements, but one should take the floor and give the facts honestly, disinterestedly, and impersonally. If a Member is opposed to a bill, he should fight it, and fight it upon its merits, without taking the floor and simply saying, "This is injurious to the American manufacturer." My friend is trying to raise another political issue with reference to a bill which is not connected with any particular party. As a matter of fact, distinguished members of the Republican Party were those who first conceived this legislation, and members of the Democratic Party joined with them, as the result of which this bill is now before the House. This does not create any new law with reference to manipulation, assembling or anything of that kind. This prohibits manufacturing, because we do not want manufacturing in the foreign-trade zones entering into competition with our domestic manufactures. We specifically protected our American manufacturers and we provided that there shall be no exhibition within a foreign-trade zone, to protect further our American manufacturers; and my friend from Massachusetts, Mr. TREADWAY, knows that.

There is one more thought that I want to leave. Mr. TREADWAY talks about conservative Republicans. I respect them. I respect the rights of all schools of thought which operate within the law. We want the progressive school. We do not want the radical school; but they are entitled to their thought, as long as they stay within the Constitution and the law. I admire conservatism. I like to consider myself a progressive, but I do not like to see my friend take the floor and then try to create a party issue, when, as a matter of fact, the real credit belongs to members of both parties rather than to members of any one party.

I hope the rule will be adopted, and then we can debate this question further when it comes up for consideration in the committee. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Massachusetts [Mr. McCORMACK] has expired.

Mr. O'CONNOR. Mr. Speaker, I yield 5 minutes to the gentleman from North Carolina [Mr. DOUGHTON].

Mr. DOUGHTON. Mr. Speaker, the pending bill authorizes the creation, operation, and maintenance of free-trade zones at ports of entry in the United States. This bill was given very careful consideration by the Ways and Means Committee. Hearings were conducted by a subcommittee of the Committee on Ways and Means. Later the full committee gave very careful consideration to the proposed legislation. It has the support of a large majority of that committee, not only members of the majority but several members of the minority. It also has the support of the Secretary of the Treasury of the United States, also the support of his distinguished predecessor. It has the support also of the Secretary of Commerce. It has the support of the American Chamber of Commerce. It has the support of practically all business organizations of the country. In

fact, it has the support of all who know most about it, and is opposed by those who know least about it.

It also has the support of the Tariff Commission of the United States, a nonpartisan organization. The fact is there is no partisanship whatever in this legislation. The idea of trying to raise the red flag of partisanship in the discussion here shows to me very conclusively the bankrupt condition of those who are opposing this legislation. If I were in the place of those who are so vigorously opposing this legislation, I would first go to those of my own household to see if I could not convince them.

I know there are still men in this House, both Republicans and Democrats, whose patriotism rises above partisanship, and they are anxious to see the business of this country resuscitated and put on its feet again. In order to do that, they think it is best to follow the enlightened judgment of men who know most about legislation of this kind and pay little attention to those who know least about legislation of this character. [Applause.]

Its passage will aid industry and labor. It will also aid our international trade and should receive the unanimous support of the House.

Mr. O'CONNOR. Mr. Speaker, I move the previous question on the adoption of the resolution.

The previous question was ordered.

The SPEAKER. The question is on the adoption of the amendment.

The committee amendment was agreed to.

The resolution as amended was agreed to.

A motion to reconsider the vote by which the resolution was agreed to was laid on the table.

Mr. CULLEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H.R. 9322) to provide for the establishment, operation, and maintenance of foreign-trade zones in ports of entry of the United States, to expedite and encourage foreign commerce, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H.R. 9322, with Mr. JOHNSON of West Virginia in the chair.

The Clerk read the title of the bill.

Mr. CULLEN. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. CULLEN. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, if there is one thing that I enjoy more than another in this House it is to see my distinguished brother, TREADWAY, take the floor on matters of legislation. He is really appealing. He rather gets under your skin with the serious way that he starts to explain bills; and then, when there is a suggestion of anything in relation to tariff or free trade, Brother TREADWAY is right at home.

The gentleman knows just as well as I do that there is not the suggestion of tariff, not the suggestion of interference with American manufacturers, not the suggestion of free trade within this bill; but simply because of the fact that the bill establishes these free foreign-trade zones, my friend TREADWAY wants to leave the impression on the Membership of the House: "Look out for it; you are going to get caught here somewhere; Europe is going to flood us with a lot of their manufactures; the American manufacturer is going to be destroyed!"

Of course, nobody who has real, good, ordinary, common sense in regard to this matter and who has read this bill thoroughly thinks there is any suggestion of that kind, but, on the contrary, is completely convinced that there is not such a suggestion within the four corners of the bill.

Now, let us see what the bill does and let us see how a free zone is defined. It is not a new thing, but has been before Congress off and on for the last 20 years.

Mr. HOLMES. Mr. Chairman, will the gentleman yield?

Mr. CULLEN. I yield.

Mr. HOLMES. All goods which are imported at the present time have to go into a bonded warehouse, and they cannot be taken out of this warehouse until the duties are paid.

Mr. CULLEN. But the importer or the shipper has to pay the expense of having the goods held in the warehouse under bond.

Mr. HOLMES. Of course, he has got to pay what they call storage on them.

Mr. McCORMACK. And under the operation of the foreign-trade zones as provided in this bill the importer or the shipper will have to pay the expense of the operation of the foreign trade zone.

Mr. HOLMES. But it comes into the free zone without any kind of expense.

Mr. CULLEN. It comes into the free zone without duty, but the expense of organizing and operating the free zone has to be met by those who use its facilities, whether the free zone be operated by a municipality or by a private corporation.

Mr. HOLMES. The reason I raise this point is because in past years European countries have dumped steel into the warehouses of Boston, landed there duty paid and freight paid for \$1 a hundred pounds; and the best we can do in these same warehouses on American steel from Pittsburgh, Detroit, or Chicago, or anywhere else in this country is \$2 a hundred base.

Now, will the free zones make it possible for foreign steel manufacturers to dump an unlimited amount of their steel into these ports for the consumption of the people of the United States in competition with domestically manufactured steel?

Mr. CULLEN. That most certainly is not the intention of the bill.

Mr. HOLMES. That is the point that bothers me in the consideration of the establishment of free zones.

Mr. CULLEN. Similar bills have been before Congress for many years. H.R. 9322 is a bill authorizing the establishment, operation, and maintenance of foreign-trade zones in the ports of entry of the United States to expedite and encourage foreign commerce.

Similar bills have been before Congress for the past several years, and a great deal of information has been submitted at public hearings at different times. In 1919 the Tariff Commission made a very thorough investigation and study of this subject, and in their statement submitted to Congress stated in part as follows:

After exhaustive study of foreign institutions and careful investigation of American conditions and mercantile opinion, the Tariff Commission recommends the policy of permitting the establishment of free zones in American ports.

Mr. BLANCHARD. Mr. Chairman, will the gentleman yield?

Mr. CULLEN. I yield.

Mr. BLANCHARD. Will the gentleman state just who is going to benefit through the passage of this bill?

Mr. CULLEN. It will benefit the unemployed; it will benefit our shipping, which is absolutely paralyzed today; and it will bring into the country much more commerce, because we lack this type of zone which is provided in 41 cities in Europe today.

During the hearings on March 6 and 7 of this year there appeared many witnesses, all of whom were in favor of the establishment of such zones. Among the organizations favorably commending the proposed legislation are the following: Chamber of Commerce of the United States, the Port of New York Authority, the Chamber of Commerce of the State of New York, the Merchants' Association of the City of New York, the Maritime Association and Boston Chamber of Commerce, the Philadelphia Board of Trade, the Baltimore Association of Commerce, the Export and Import Bureau of Baltimore, the New Orleans Association of Commerce, the New Orleans Cotton Exchange, the Chicago Association of Commerce, the San Francisco Chamber of Commerce, the Pacific American Steamship Association, and the Ship Owners' Association of the Pacific Coast, the Trade Association of Hampton Roads and Norfolk, the Chamber of

Commerce of Jersey City, and also the Secretary of the Treasury and the Secretary of Commerce.

Mr. BURNHAM. Mr. Chairman, will the gentleman yield?

Mr. CULLEN. I yield.

Mr. BURNHAM. Will not the gentleman add to his list the city of San Diego? The people of that city are tremendously interested in this bill and in its passage.

Mr. CULLEN. I am very glad to have the city of San Diego join in support of such a worthy project.

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. CULLEN. I yield.

Mr. FISH. The gentleman should also add to his list the names of the cities of Beacon and Poughkeepsie in his own State.

Mr. CULLEN. Yes. I thank my colleague from New York for mentioning these cities. I may say I am advised with respect to the city of Beacon, with the founding of which I had something to do years ago.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield for a brief question?

Mr. CULLEN. I yield.

Mr. BOILEAU. I could see where there will be a tremendous advantage to foreign products coming into this country were this bill adopted; they would have an advantage; but I fail to see anything in the bill which would be of advantage to American interests. I am asking for information.

Mr. CULLEN. The gentleman does not see any advantage that is coming to American manufacturers?

Mr. BOILEAU. Yes.

Mr. CULLEN. It is not going to hurt American manufacturers.

Mr. BOILEAU. Will it not result in an increase of imported products laid down on the shores of this country?

Mr. CULLEN. Not to the disadvantage of domestic commerce.

Mr. BOILEAU. It will be of advantage to importers.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. CULLEN. I yield.

Mr. VINSON of Kentucky. One of the major benefits will be in the transshipment of goods. I think there is a misapprehension as to what can be done under this bill. Under the present tariff law foreign goods can enter this country; and if they are mixed, mingled, or manipulated and then exported from the country, there is a drawback of the tariff. Consequently the same thing that would be done under the pending bill is already being done under existing law.

Mr. BOILEAU. But this bill will provide the added advantage of warehouse facilities.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. CULLEN. I yield.

Mr. GIFFORD. I want to emphasize that it is the maritime branch of the Boston Chamber of Commerce that is interested. There is no question as to their feeling in the matter.

I was glad to hear the gentleman from Kentucky mention "drawback." The passage of this bill would aid merchants inasmuch as it is troublesome to get the drawback, and sometimes they have to wait a long time to get it. But I want to ask the gentleman from New York whether the passage of this bill will not encourage and increase the importation of foreign goods from the obvious advantage which would be enjoyed through having goods right on our shores ready for immediate delivery?

Mr. CULLEN. Not any more than it does today.

Mr. GIFFORD. I cannot see that.

Mr. CULLEN. I refuse to yield further.

Mr. WELCH. My statement was that it was a warehouse for goods in transit, not a warehouse for foreign goods.

Mr. CULLEN. In view of the fact that considerable misunderstanding has prevailed in the past regarding foreign-trade zones, I shall take a few moments on this phase of the subject.

The establishment of such zones in the ports of entry of the United States will in no way interfere with or change existing tariffs, and is in no way an entering wedge for the dumping of foreign products in competition with our domestic products. At this point I desire to quote from the report of the Tariff Commission defining such zones and the purposes and functions of the same. The Tariff Commission's definition is as follows:

A free port or free zone is a place, limited in extent, that differs from adjacent territory in being exempt from the customs laws as affecting goods destined for reexport; it means simply that, as regards customs dealers, there is freedom, unless and until imported goods enter the domestic market. * * * The purpose of the free zone is to encourage and expedite that part of a nation's foreign trade which its government wishes to free from the restrictions necessitated by customs duties. In other words, it aims to foster the dealing in foreign goods that are imported, not for domestic consumption but for reexport to foreign markets, and for conditioning or for combining with domestic products previous to export.

This should, in my opinion, dissipate any fears that the creation of such zones will in any way adversely affect our domestic markets, or enable foreign products to avoid our tariff levies and compete with domestic products.

In this connection I want to quote from a letter written by Mr. Harriman, president of the Chamber of Commerce of the United States, which is incorporated in the report on this bill. Mr. Harriman, referring to foreign trade zones, says:

The chambers of commerce and trade associations comprising our membership have, for many years, advocated that there should be legislative permission for the creation of such facilities in American ports. It has been our feeling that foreign-trade zones will contribute to the expansion of our international trade, particularly transshipment trade, to the supplying of additional cargoes for our American merchant marine and for the simplification of customs administration. * * * It is believed that a free zone is a part of the equipment of a country for doing a diversified international trading business which American business men ought to have made available to them. It is believed that with free zones in American ports the American merchant marine will benefit from an increased share in the carrying trade of the world; that American merchants and manufacturers will benefit in a variety of ways from the advantages of a wide American consignment market for foreign products; that the free zones will bring needed improvements in American port and terminal facilities; that the free zones will bring added business to American banks, insurance companies, freight forwarders, and warehousemen; that free zones will bring about a vast improvement of the type of facilities provided at present only by bonded warehouses and drawbacks together with a simplification and saving in the work of customs administration.

That which I have just quoted is what the proponents of this legislation are seeking, and is what I believe every Member of this House should be in favor of. The creation of these trade zones will have a most beneficial effect on our shipping industry, which at the present time is practically paralyzed and lying idle and rusting away for want of cargoes. Any aid that will come to our merchant marine by the passage of this legislation will be of inestimable value from the standpoint of national defense. We all vividly recall the condition we found ourselves in during the World War, and the millions and millions of dollars we were required to expend because of the lack of a mere semblance of an adequate merchant marine.

Now, after we have again placed the American flag on the high seas at such tremendous cost, are we to allow again our merchant marine to disintegrate to a condition similar to that prior to the World War, or are we to extend such aid as is possible and such as is provided in this bill? Other countries have extended similar aid to their shipping and other interests by recognizing the principle of foreign-trade zones. There are 41 such zones in various parts of Europe, and they have been of material aid in the handling of additional tonnage in the ports where located.

Not only that, but this legislation has received endorsement from every commercial body in the United States. Practically nobody opposes it. Nobody that I know of opposes this bill except the gentleman from Massachusetts [Mr. TREADWAY].

Mr. MILLARD. Will the gentleman yield?

Mr. CULLEN. I yield to the gentleman from New York.

Mr. MILLARD. If it is such a good bill, why has it taken 20 years to pass?

Mr. CULLEN. The bills that were introduced in the prior sessions of Congress were not pressed with any degree of seriousness. They were introduced as a matter of suggestion, but from one thing grows another. From an acorn large oaks grow. The suggestion came, and hence the bill is before you now because of the fact the people of the country realize this is important legislation and we should have it.

Mr. VINSON of Kentucky. In the bills which were considered in prior Congresses there was the authority to manufacture within the foreign-trade zone. Unquestionably this would give an advantage over the manufacturers of similar products in the interior of this country and that character of bill should not be enacted into legislation. The manufacturing end of it and the authority to manufacture are stricken from the bill. We have gone so far as to strike the exhibition of goods from the bill.

Mr. CULLEN. Yes; that was taken out.

Mr. McCORMACK. We prohibit the manufacture of goods within this zone.

Mr. CULLEN. Yes.

Mr. TREADWAY. Will the gentleman yield?

Mr. CULLEN. Yes.

Mr. TREADWAY. The gentleman from Kentucky [Mr. VINSON] bears down on the inclusion of the word "exhibit." Will the gentleman claim that a man endeavoring to sell foreign goods could not have a sample in his office from which he could sell?

Mr. VINSON of Kentucky. May I ask the gentleman from Massachusetts [Mr. TREADWAY] if he thinks the business men of the world, even though they are foreign-business men, are going to go to the expense of manufacturing goods and shipping them blindly out into the ports of the world in the hope that they may be able to sell the goods?

Mr. TREADWAY. I absolutely think they will because there is sure to be a sale of the goods in 2 years' time under this bill.

Mr. VINSON of Kentucky. What benefit would the foreign manufacturer get if they are abandoned and sold under auction? They certainly would do nothing except suffer loss.

Mr. CULLEN. My time is being used up. I refuse to yield further.

The passage of this bill will, in my judgment, also mean a saving of considerable Customs Service expense to the Government, as well as annoyance, delay, and expense to shippers and domestic industries.

The enactment of this legislation does not call for the expenditure of any public funds, but merely authorizes States, political subdivisions thereof, municipalities, or other public agencies to establish, operate, and maintain such zones. Private corporations are authorized to establish such zones only in the case such zones are not established by the States or other public agencies, with a further limitation that they must be chartered by the State legislature. The cost of maintaining whatever additional customs services as may be required in these zones is to be borne by the operators of such zones.

The Secretary of the Treasury, as also the Secretary of Commerce, have signified their approval of the establishment of these zones, as evidenced by their letters which are incorporated in the report, and as this legislation will inevitably encourage our foreign commerce and be of inestimable benefit to many of our domestic industries, I feel the same should meet with the unanimous approval of the membership of this House. [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield 4 minutes to the gentleman from Massachusetts [Mr. CONNERY].

Mr. CONNERY. Mr. Chairman, I have listened to the distinguished gentleman from New York and to my distinguished friend from Massachusetts [Mr. McCORMACK], and the other speakers, but I am a little bit leery of this bill. I am a little suspicious of it. I have listened to all the talk about the free zones and free ports and where the cities are going to build up free ports and all about foreign goods coming into the United States and into these free ports, where the goods wait until an American customer comes

along to buy the goods. Then after a certain period of time, if the goods are not sold, they are auctioned off.

The first thought that occurs to me is that you will have a surplus of goods. You are creating a condition of surplus of goods on hand in a free zone which is a threatened competition to the same type of goods in the United States. True, you are not allowing them to put the goods on exhibition where the American can go in and look at the goods and see whether they are as good-looking a shoe, for instance, as is made in the city of Lynn, Mass., and if they are as good looking as the shoes from Lynn they may be bought at a cheaper price. I know my distinguished friend from New York [Mr. CULLEN] does not want to throw the shoe workers of Lynn, Mass., out of employment, for instance, but before we had a tariff on shoes there were some 6,000,000 pairs of Czechoslovakian shoes coming into the United States every year. We had the same situation in reference to textiles and a lot of other manufactured products of the United States.

As to shipping, I can see where anyone who comes from a seaport would be inclined to favor this bill. Lynn, where I live, is a seaport city. We have just had our harbor deepened. Boston is 10 miles from Lynn and is a great port. The idea supposedly here is to help American shipping, which sounds fine, but these goods are not going to be carried in American ships. They will be carried in English, German, Argentine, French, and other ships.

When the United States Government saw fit to enter into negotiations for Brazilian coffee in exchange for some other articles, the coffee was carried up here in Brazilian ships, and the other products shipped back in Brazilian ships, not American ships. I brought this fact out on the floor of the House at that time. So you need not worry about building up the American merchant marine. It will not be done in this manner because the foreign governments take better care of their shipping than we do. These goods will be shipped in foreign ships. They have control of the ocean, and they intend to keep control.

I am also suspicious when they say the United States Chamber of Commerce and Mr. Harriman are in favor of this bill. Mr. CULLEN says this is going to inure to the benefit of labor. Mr. Harriman appeared last year before the Committee on Labor. I have nothing against the gentleman and have no antagonistic feelings toward him personally. He is a fine gentleman with a good character, but with very little sympathy for the shoe workers of Lynn, or the textile workers of Lawrence, or other men who toil with their hands.

I am suspicious that this bill is another move of the international bankers to protect their interests at the expense of the American workers. The importers and international bankers work pretty well in double harness. The original bill, I understand, would actually have permitted manufacturing in these free zones. Then it would have permitted exhibitions of the goods. That would be almost as good as letting in the goods duty free. It seems to me that for the safety of the American workers and their protection against foreign competition of low wages and long hours this bill should be defeated, and I am against the bill. [Applause.]

Mr. CULLEN. Mr. Chairman, I yield 4 minutes to the gentleman from California [Mr. DOCKWEILER].

Mr. DOCKWEILER. Mr. Chairman, you perhaps do not know it, but there is a free port within a stone's throw of the confines of the United States right below my State. Right across the border from San Diego, from where my good friend and colleague from California [Mr. BURNHAM] comes, the Mexican Government, which, I suppose would be considered by us more backward than our own, has established a free port at Tia Juana, and they have established the kind of free port where they permit not only the importation of foreign goods to be repacked and rehandled, and so forth, but they also permit such goods to be manufactured in this free port and free zone. There is an island, so to speak, there that is fenced about with a high fence with barbed wire on top, and they invite, today, the American manufacturer of southern California to come down into

this free zone and fabricate their goods, using foreign labor.

What do you suppose the industrialists of San Diego can do against this sort of competition? There are over 41 free zones established in the world, and one of them is right there at the border of southern California, at Tia Juana, Mexico.

I am in sympathy with this bill. I am supporting it because my suspicion is it will encourage the American merchant marine; because my suspicion is that wherever these free zones are established, it will add some employment from the army of unemployed today. I am in thorough sympathy with this bill and want to see it pass.

You may say I am a port-town Member of Congress. This may be true. While I do not represent the district within which is the port of Los Angeles, nevertheless, if I were from Iowa, or if I were from the State of Michigan, I would not object to this bill, and I am sorry to hear my friend and colleague from Michigan state that he feels he will have to oppose the measure, because it will not be long before along the Canadian border there will be established by the Canadian Government free zones, inviting American manufacturers to come in these zones and manufacture and fabricate their goods and buy foreign basic products and put them up and sell them in the United States. In this bill we have safeguarded against this. We only provide that these foreign goods can be brought into this free zone and repacked, rehandled, cleaned, and manipulated; and manipulated, if you will look at the derivation of that word, means handled by the hands. Manus, I believe, is the Latin word for hand, and manipulating means just exactly what it says, that it shall be repacked or rehandled, which is just another similar expression.

So I am supporting this measure and I hope it passes. [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Chairman, I simply want to go on record in favor of this legislation. Two of the cities in my district, Poughkeepsie and Beacon, on the Hudson River, have made a very careful study of the free-zone proposition and the business men there are almost unanimously in favor of it. I can see many advantages and but few disadvantages from the passage of this bill.

I am not very much concerned, however, about the suggestion that the Tariff Commission of the United States favors it—this alleged nonpartisan Commission is like other so-called "nonpartisan commissions" composed mostly of Roosevelt Republicans and college friends of the President who left the Republican Party years ago. The intention of Congress has been repeatedly violated both in spirit and in the letter of the law by appointment of Roosevelt Republicans to represent the policies of the Republican Party.

If anyone could prove to me that this legislation would take away the job of any American in a factory, I would vote against it, but it seems to me, after listening to the distinguished gentleman from Massachusetts [Mr. McCORMACK] who spoke at some length that it is a fair proposition to provide a free zone or free port so that foreign goods can be transshipped.

It does not propose to favor any foreign goods or take away any American trade. It is merely to extend a much-needed convenience to the foreign shipper so that goods can be held in storage in a free zone without payment of duties until transshipped. I do not see any partisanship in the bill. I do not see that it is a Democratic measure or a Republican measure. It is brought here on its merits, just as years ago it was proposed by a Republican Congress. I see no reason to inject partisanship into it now unless Members can prove definitely that American factory owners and workers will not lose their jobs through unfair competition. I am a protectionist and believe that the American market must be preserved for the products of American labor and that our wage earners need protection more today from the cheap output of Japan and Europe than ever before.

All I can say is that the people of my district, after considering carefully the free-port proposal on its merits for

several years, have asked me to support the pending bill, and I propose to do so, unless some good reason is produced why it should not be adopted.

Mr. COLDEN. Will the gentleman yield?

Mr. FISH. I yield.

Mr. COLDEN. Is it not a fact that some factory owners and manufacturers must use foreign products at times, and this will enable them to get their supplies much better and easier?

Mr. FISH. I do not know whether that is true or not, but the free zone provides a place where they can store their goods until they are transshipped.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield 3 minutes to the gentleman from Wisconsin [Mr. BOILEAU].

Mr. BOILEAU. Mr. Chairman, it seems to me that this bill must be for the purpose of giving a benefit to somebody. I cannot see wherein the American manufacturer or producer or where the American laborer will get any advantage under the bill. It does seem to me, however, that the American importer and the foreign producer or manufacturer is going to get some advantage, because under the terms of the bill they would be able to bring their products into the free zones, put them into the warehouses there, leave them there until such time as conditions will enable them to get an opportunity to sell their commodities.

Under present conditions I do not believe that any importer or any foreign producer or manufacturer will ship goods into this country unless they have a place to sell those commodities in this country. In other words, there are practically no goods coming into this country now unless there is someone here ready to buy them or who has already purchased the goods.

Under the terms of this bill the importer or foreign producer could ship goods into the free zone, put them in the warehouse, keep them until he has an opportunity to sell them. The only result of this kind of legislation is to encourage importation from foreign countries. This certainly is a concession to the foreign producer, the foreign manufacturer, and makes it easier for them to sell their goods and merchandise in this country.

Every time we give a concession to foreign interests who are in competition with American interests we are doing something against the interests of our own people, and I for one do not believe that we should pursue that course.

Mr. FORD. Will the gentleman yield?

Mr. BOILEAU. I will yield to the gentleman.

Mr. FORD. How are we going to sell goods abroad if we do not buy goods abroad?

Mr. BOILEAU. Under the present law we consume here about 93 percent of all the commodities produced in this country, and we should preserve our own market for American interests and not worry so much about the 7 percent we sell abroad.

Mr. TREADWAY. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. WEIDEMAN].

Mr. WEIDEMAN. Mr. Chairman, I am a little suspicious when the Greeks begin to bear gifts. I do not know how this bill is going to benefit American industry. Consumption is fixed. We consume just so much of shoes, so much food, and so much of anything else, commensurate with the amount of money we have to pay for it. Is it not a self-evident fact that the more we import from some country, the less of American goods we are going to use? I am in favor of doing a little bit for the folks over here once in a while.

Another objection I have to this bill is this: Our policy of government says we are now producing too much. We are producing too much, and still you want free ports to bring in more. Either we are wrong one way or the other. To answer the gentleman from California, the gentleman said the gentleman from Michigan should be for this bill. I am not so sure about that. I want to call to his attention that when Tia Juana, Mexico, has a free port, where they use cheap Mexican labor in the fabrication of foreign material, and rather than help American labor it harms us.

If the argument is sound that we are overproduced and that it is necessary to reduce farm acreage because of surpluses, and that the N.R.A. authorities have given industries the right to reduce the hours of labor, where is the necessity to increase our imports at this time?

Experience has shown us that if we increase imports the imported articles will be brought here in foreign bottoms. Does it not stand to reason that the greater imports we introduce into this country at this time the greater number of American articles we will displace with foreign goods.

It should also be brought to the attention of the American citizen that these foreign shipments will be financed with their money through the Federal Reserve banks at a cost of one-thirtieth of 1 percent. Of course, the Federal Reserve bankers and international bankers will make a tremendous profit from the financing of these international deals at the expense of the American Government. If the proponents of this bill will show me how it will help reopen one American factory, and not close many, I will vote for this bill. As yet, this has not been shown. I am not yet in favor of putting Russian and Japanese labor in competition with American labor.

In the course of a few years the imports of Czechoslovakian shoes rose from about 400 pairs per year to 6,000,000 pairs in 1929. This did not help the American shoe industry.

Mr. TREADWAY. Mr. Chairman, I yield 4 minutes to the gentleman from Pennsylvania [Mr. McFADDEN].

Mr. McFADDEN. Mr. Chairman, I do not regard this as a tariff matter in any sense whatsoever. It is a further aid to the foreigner to compete with American manufacturers. It is a further aid to the importer, because he makes his profit from the importation of foreign goods into the United States. It is a direct blow to American industry, because it furnishes facilities to permit the foreign importer to store in the United States, for immediate shipment, in competition with American-manufactured goods.

The claim is put forward that it will mean additional employment. That is probably so in those ports of free entry, but I want to call attention to the fact that whatever employment is gained there will be lost in the factories of the United States. There will be imported into these warehouses or big yards these products. The big yards will be stored with steel and cement, sugar, oil, and probably Russian and Welsh coal, and the warehouses will be filled with perishable products like shoes, cotton goods, and other commodities, manufactured in foreign countries with foreign cheap labor which come in to compete with American industry and American labor. This will simply be another facility to make foreign merchandise readily available to American buyers—and will increase the competition of the American factories.

Another thing to which I called attention a few moments ago, if there is a political party matter involved here I would place on the side of this kind of tactics the Democratic Party, because they seem to be perfectly willing that there shall come into this country foreign-made goods, free and in increasing quantities, and that the foreigner and his industry shall be financed with Federal Reserve credit. There is no question now as to that situation because of the amendments which have been made to the Federal Reserve Act, which permit the financing of the foreigner in the holding, manufacture, and shipment of his goods into the United States. We give the foreigner the benefit of cheap Federal Reserve credit through the use of acceptances. May I point out to you that acceptance credits follow these shipments from the time the raw material is manufactured abroad, while it is being shipped across, and while it is stored in the warehouse for 2 years under this plan, awaiting consumption on the part of the American public.

This is an additional advantage to the foreigner and his goods against the American manufacturer and consumer. Foreign goods are now filling the shelves of our chain and department stores, such as Macy's and Gimble's, of New York, and similar stores of other of our American cities.

To have great quantities of such goods stored in great cities of this country ready for immediate shipment to re-

tailers in zones where quick delivery and favorable shipping zones are at hand, will, I submit, be the keenest kind of competition with American producers and besides few American manufacturers are in a position to get acceptance credits at the low rates of discount as are given to the foreigner.

Mr. McCORMACK. Will the gentleman yield right there?

Mr. McFADDEN. I am sorry, but I am through. I yield back the balance of my time.

Mr. CULLEN. Mr. Chairman, I yield to the gentleman from Massachusetts [Mr. McCORMACK] 3 minutes.

Mr. McCORMACK. Mr. Chairman, I want to call the attention of the gentleman from Pennsylvania and the members of the committee to the 2-year provision. Under the present law goods can be brought in and stored in bonded warehouses for a period of 3 years. The 2-year period in this bill is 1 year less than the existing law with reference to bonded warehouses which the distinguished gentleman from Massachusetts [Mr. TREADWAY] helped draft in the passage of the Hawley-Smoot bill of 1930.

Mr. McFADDEN. Will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. McFADDEN. The gentleman is furnishing free zones for the storage, a very different proposition from the present bonded warehouse which is in existence.

Mr. McCORMACK. I know, but if my friend will get this, nothing can be done under this law that cannot be substantially done under existing law except that it will result in a saving to American business, and be beneficial in many other respects. Our business men put up a bond double the value brought in from a foreign country and placed in a bonded warehouse. That means inconvenience to our business. The duty has to be paid on imports which are assembled in this country outside of bonded warehouses and when exported, they must show they are the identical goods that were imported in order to get the drawback of 99 percent. There is nothing in this bill such as my good friend from Massachusetts, Mr. CONNERY, and my good friend, Mr. WEIDEMAN, from Michigan, think. If we are going to legislate on suspicion, we will never progress. This is to expedite action for the protection of American business. They have under this bill everything that the law now gives them, except that they will be able to expedite action and save the money that they need and which can be utilized to good advantage. In addition, there are the advantages of transshipment and reexport.

Mr. WEIDEMAN. Will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. WEIDEMAN. To expedite American business you want to make it easier for the importer to make a little money so that they can bring foreign goods in here cheaper, in competition with American industry, so we use more foreign goods and less American goods.

Mr. McCORMACK. Oh, the gentlemen is mistaken about the imports. He should think of American business. That is what this bill is for.

Mr. WEIDEMAN. No. I know the international bankers are the only ones who profit in the interchange of foreign goods. I do not propose to penalize American industry in favor of foreign commerce to make more money for a few international bankers and traders.

Mr. McCORMACK. The international bankers have nothing to do with this bill, and I am no more interested in them than my friend is.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. McCORMACK], has expired.

Mr. TREADWAY. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. HOLMES].

Mr. HOLMES. Mr. Chairman, I made an inquiry from my distinguished colleague from New York relative to the situation as it applied to steel. May I say in answer to my good friend from Massachusetts that I do not believe the gentleman from Michigan [Mr. WEIDEMAN] is unduly alarmed over this bill, nor is my colleague from Massachusetts [Mr. CONNERY] because as a matter of fact today we are import-

ing from European steel manufacturers steel at a rate far less than it can be produced for in this country. We have the commodities right in storage under bond in the various seaports of the United States; the manufacturers of Michigan and other States rather than consume the same material of better quality manufactured in American plants by American labor will take out of bond such quantity of this wire as they may want to use. The ultimate effect of this, of course, is to take away that much employment from American workmen. Nor do I have to go to Michigan, for I see it daily going by my door in Worcester, a city where thousands of men are employed in steel mills, as wire drawers, and so forth. These men are suffering because of this foreign competition; yet we in this country had to work for years to develop this industry.

When we come to the question of a more adequate tariff on shoes, which was accomplished after years of work by my friend CONNERY, from Lynn, do you suppose the shoe jobbers or dealers in the United States paid the increased tax? No, it was absorbed by the shipping interests and the manufacturer of the shoes abroad. The local jobber paid just exactly the price he paid before the tariff was increased. [Applause.]

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield 2 minutes to the gentleman from West Virginia [Mr. EDMISTON].

Mr. EDMISTON. Mr. Chairman, it seems to me the argument advanced in support of this bill that to help American shipping we must import more foreign goods into the country is ridiculous. How can we increase our imports without hurting our manufacturers?

In my opinion the chief offender under this bill would be Japan. At the present time, in pottery alone—and I speak of pottery because this industry is located in my district—Japanese imports have increased since the first of the year until now a million dozen units of Japanese pottery are imported into this country each month.

If by the passage of this bill free zones are to be created and the importation of Japanese pottery expedited, we will keep the pottery workers of West Virginia and Ohio unemployed, because Japan is flooding this country with cheap pottery made by workers who receive a wage of 4 cents a day—made by pauper labor. What do they care if they do lose money? If they lose, their Government will subsidize them.

So I fear the passage of this bill will injure American industry; and I hope the bill will be defeated.

Believing as I do that Japan will be the chief offender under this bill I want to call to the attention of the House the utter disregard of the rest of the world that Japan continues to display. Japan has the cheapest and most pauperized labor in the world. She has them in great numbers so she must find room for them. She, by sheer force, ruthlessly overrides China; and, in my opinion, if she thought she had the force would ruthlessly override the rest of the world. Why do we want to pass a measure here that will hurt our own American manufacturers, keep American labor out of work, and aid a country like Japan? I firmly believe that this bill will make it more convenient, at least, for Japanese pottery to be imported into this country; and personally I am for an embargo or limitation against all Japanese products that conflict with American articles.

Mr. TREADWAY. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, I have been trying fairly to understand the bill so that if possible, I could vote for it, but no illustrations of the operation of the free zones have been brought forward except the bare statement that there would be more employment in the shipping ports; but let us who represent manufacturing districts not be asleep at the switch.

The question has many times been asked if this bill would furnish facilities for the more convenient and quicker sale of foreign goods; but this question has not been answered.

I sympathize with the importer who has to pay the duty and wait a long time to get the drawback; but they finally get it after a long wait.

The question was asked if American business men could not get foreign material they needed more quickly and more readily if free-trade zones were established. Yes, of course they could; and it would also be better for those who wanted foreign merchandise in preference to domestic merchandise; and I am wondering if there are no jobbers in this country—men who do not actually manufacture—who would take advantage of this sort of thing by having these foreign goods shipped into the free ports, thus keeping large quantities on hand right on our shores.

The proponents of the bill have shown how it helps the foreign manufacturer, but they have not shown how letting foreign goods come into this country easier will help or improve the domestic manufacturer. Not a single instance of this kind has been presented. So it seems to me clear and unmistakable that it will jeopardize the domestic manufacturer and be helpful only to the ports.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Chairman, the question of the free port or trade zone has been approached in this debate from various angles. I know that every Member of this House, in considering the bill and in arriving at a conclusion as to how he or she will vote upon it, will be controlled by what he or she believes to be for the best interests of our country. There never was a time when it was more essential for Members to consider the question in this light than right now. We must not lose sight of the fact that there are large numbers of people on the relief rolls today, and the reports indicate that unemployment is increasing. President Green, of the American Federation of Labor, according to a report in this morning's Post, stated that recently unemployment had been on the increase.

It so happens that I live near the northern border of the United States. I live right across from Canada on Lake Erie; and I hope you Members will listen to me for a minute, because some of you come from far inland towns and cities; therefore, you little realize what it means to live near to foreign markets. Naturally there are literally thousands of people in this country who will buy foreign goods if they have the opportunity, especially when they are operating on a limited budget. You Members may be interested to know that in 1 year 6,000,000 people crossed the Peace Bridge at Buffalo into Canada and returned to the United States the same day. Much has been said about the Hawley-Smoot tariff bill, but let me say that the bill permits a person in an automobile to bring in free of duty \$100 worth of foreign goods. I have the figures here, and they are very illuminating as to the amount of foreign goods that come into this country free of duty because of this loophole in the law. The Canadian law is not reciprocal. A Canadian would not be permitted under any circumstances to purchase goods in this country and take them over there.

I have some figures as to what came in through a few ports along the border. There came into this country in 1 year through 11 ports of entry merchandise valued at \$4,460,107 free of duty. In addition to the above it is estimated that oral declarations of articles valued at \$25 or less amounted to \$450,000 more at Buffalo; \$250,000 more at Pembina, N.Dak.; and \$2,900,000 more at Ogdensburg, N.Y. What is happening over there is that there are stores right across the border within an hour's drive from cities in the United States. Persons drive over to Canada from Buffalo, Rochester, Syracuse, and even from as far away as Cincinnati. They cross over into Canada in an automobile and then return loaded down with the choicest kind of chinaware, pottery, woollens, and other articles of foreign make, which comes in direct competition with similar goods manufactured in this country. What is the result? There was a time when Buffalo had some of the finest china and pottery stores in this country. Today there are only a few of any importance left.

This system of importing foreign goods is going to reach out like creeping paralysis into the other cities. Here is what will happen under the present bill. When you establish a free port or free zone in New York, the trade center of our population, you will establish a great sales agency for the foreign governments. Make no mistake about that. People are going to flock to the free zone, not by the thousands, but by the millions. They are going to watch for foreign bargains and they are going to get them. Foreign interests will have that trade zone equipped with the finest high-pressure sales organization that money can buy. When our people go there they will be supplied with attractive, illustrated catalogs, and they will buy from them, just as many persons purchase through catalogs here. All of the foreign goods bought through this system will throw many of our workmen out of employment.

Our pottery business is now being destroyed by foreign competition. Take the tailoring establishments in Buffalo. They are at a great disadvantage when competing with the Canadian firms because of the low price of woollen cloth in Canada. I have a list here of the wonderful advertisements that are being mailed out by the thousands every day from Canada, urging Americans to "Come over to Canada to do your buying", and explaining in detail just how much can be saved by crossing over the Peace Bridge. This method of Canadian merchandising is going on all along our border and in every one of the border cities. When you open a trade zone you are inviting all the countries of the world to come in and destroy our business. Present custom duties will not stop the exploitation of the American market by foreign manufacturers. [Applause.]

Mr. TREADWAY. Mr. Chairman, I was astonished at the statement made by my good friend and colleague from Massachusetts [Mr. McCORMACK]. How in the world he can make such statements I do not know. He knows better than to say there is no change in this bill from the Smoot-Hawley Tariff Act; that you can do under the Smoot-Hawley Tariff Act what can be done under this bill. The gentleman knows better than that if he knows anything about that act or this bill.

What is the difference? The outstanding difference is that you can import into this country any quantity of goods you want to under the free-zone system and not pay a penny's duty on them until they go into the markets in competition with American products, whereas under the drawback system of the Smoot-Hawley Act you pay your duty before the goods are landed in this country or as soon as they land. If that is not a difference I do not know what is. Under the present law thousands of dollars of interest are tied up. Under the free-zone system you pay nothing until your goods are sold. Is that not a difference?

The gentleman from Massachusetts [Mr. McCORMACK] knows that I am stating it correctly, and, of course, neither of us wants to accuse the other of intentional misstatements.

Reference has been made here to the fact that this bill is favored by administrative agencies and by the Tariff Commission. I deny the statement. You may read the reports from the Tariff Commission away back 20 years ago and get a little favor out of them, but, as a matter of fact, the present Secretary of Commerce said:

There may be some doubt, therefore, whether the establishment of foreign-trade zones is as urgent at the present time.

That is a terribly left-handed recommendation for the free-zone system. On the contrary, the officials do not recommend it at all.

I call particular attention to the fact that the gentlemen would not permit the Vice Chairman of the Tariff Commission, himself a Democrat, to appear before the committee. He got some subordinate to appear before the subcommittee, but the committee could not secure a day's extension of time in order to hear from Mr. Page. He said exactly what I am saying or what Mr. Roper said, that in principle it might be all right, but there is no call for it today. There is no need for it. That is Mr. Page's opinion as well as the opinion of the Tariff Commission, and we have a letter to

this effect. I will be glad to print in the RECORD a letter from the Tariff Commission making this statement. The letter is as follows:

UNITED STATES TARIFF COMMISSION,
Washington, May 11, 1934.

MY DEAR MR. TREADWAY: I have your letter of May 9, requesting the personal opinion either of myself or of Mr. Page regarding the merits of the legislation proposed for the establishment of foreign-trade zones in the United States.

The subject is one to which I have given little or no study and which has not come up for consideration before the Tariff Commission since I have been connected with this agency. On inquiry I cannot find that it has been a matter for Commission consideration since a report was made by the Commission based on hearings and inquiry conducted during and immediately after the World War. That report, which I am informed was written by Mr. Page, was based on conditions which were widely different from those now existing. Not only was the trade of this country at that time enormously greater than at present and severely handicapped by the lack of adequate port facilities, but also provisions of law regarding drawback, the handling of goods in bond, and other matters affecting our foreign trade were antiquated, cumbersome, and restrictive. Since that time new legislation, based upon recommendations which were made by the Tariff Commission almost contemporaneously with its report on free zones, have greatly simplified or completely removed the difficulties then imposed by law.

In view of the alteration that has occurred in the conditions enumerated there appears at present to be little that might be gained by merchants and shipowners of the United States through the establishment of free zones.

The proposed construction and regulation of such zones would entail a large expenditure. It is true that under proper regulation the greater part of such expenditures would devolve upon the ports where the zones are constructed. Nevertheless, the proper policing of the zones with a view to maintaining Federal regulations would be a matter of considerable expense to the Federal Government.

Obviously, this expense would be increased according as the number of such zones may increase. It is not unreasonable to suppose that in the competition for business the establishment of such a zone at one port would lead to a demand that a similar zone be established in many other ports. I may add that, although I have not studied the bill to which you refer with care, I am inclined to think that interior cities would likewise wish to create zones of the sort contemplated.

On the whole, whether the outlays for construction, maintenance, regulation, and policing of free-trade zones be borne by the inhabitants of the cities where they are located or by the Federal Government, it is impossible to see how profits or benefits accruing from the establishment of such zones could possibly equal the costs.

I may say that Mr. Page concurs with me in what I have written.
Very sincerely yours,

ROBERT L. O'BRIEN, *Chairman.*

HON. ALLEN T. TREADWAY,
House of Representatives, Washington, D.C.

So we get right down to the facts of the case, that the party in power favors foreign over domestic trade. That is what the bill is here for, and that is what you are going to be called upon to pass today. It is the same policy that we have objected to throughout this session of Congress, and we still object to the policy.

[Here the gavel fell.]

Mr. CULLEN. Mr. Chairman, I yield the balance of my time to Mr. VINSON of Kentucky.

Mr. VINSON of Kentucky. Mr. Chairman, it is a rather amusing thing for me in this debate to watch the operation of the human mind and the ingenuity of man in setting up bars and barriers in opposition to this legislation. Our friends on the other side say that this bill is for the benefit of foreigners. May I ask in all fairness, if the 41 foreign-trade zones in other climes are set up for our benefit, or are they created, and are they operated for the benefit of their own people? There can be but one answer to that. I realize you can throw in fear, suspicion, doubt, and all that sort of thing, but the foreign-trade zones of the world are created and operated in order to benefit the nations and the people where they are situated. That is our purpose in this bill—to benefit American business.

Our friends throw in the propaganda, and that is what it is—it is just simply bunkum—that if you create a foreign-trade zone you permit foreigners to manufacture goods, ship them over here, store them in these warehouses, and that it will be a sales house. They admit that there can be no exhibition of the goods, but, they say, somebody up in the

city will have samples and will sell these goods from samples. Then they will pay the usual tariff duties and their goods will come into competition with our goods.

Now, let us see. What is to prevent any foreign concern from doing that very thing today. I submit to you that under existing law they can manufacture their goods, they can ship them into this country, they can transport them to the bonded warehouses, and then all their high-powered salesmen can have their samples and their books and sell the goods to the American people today; and when sold they pay the tariff, and the goods will go out in competition with American-made goods.

Mr. HOLMES. Will the gentleman yield?

Mr. VINSON of Kentucky. In just a moment.

All this bill does in this respect is to eliminate the requisites of law with respect to the bonds for payment of tariff. If the goods are transshipped out of the country, the drawback is eliminated. You can have all the sales from samples under existing law that you can have under this bill, and if there is anyone who cares to deny that statement, even though my time is limited, I pause for such denial.

Mr. McFADDEN rose.

Mr. VINSON of Kentucky. I yield to the gentleman from Pennsylvania.

Mr. McFADDEN. I want to ask the gentleman to define the area, say, of the port of New York. Does it include all of New York City?

Mr. VINSON of Kentucky. Oh, no; the bill sets up a board to determine the area. We have the Secretary of the Treasury, the Secretary of Commerce, and the Secretary of War. The location, area, and such things are prescribed under rules and regulations of this particular board.

Mr. McFADDEN. May it include the Rockefeller Center Building, where the exhibition of foreign goods is now taking place?

Mr. VINSON of Kentucky. If the gentleman thinks that is a serious question, I am perfectly willing for him to answer it.

I now yield to the gentleman from Massachusetts.

Mr. HOLMES. I agree with all the gentleman has said with reference to what the foreign governments are doing along the same line that the bill proposes, but the sooner we stop that practice, hundreds of thousands of American workmen who are today loafing will get back their jobs.

Mr. VINSON of Kentucky. The gentleman exaggerates because of fear. The gentleman referred a moment ago to steel. I do not care to get into a controversy with him, but I happen to know something about the quantity of steel that is imported. It is of negligible quantity. We export steel. Of course, if the gentleman is fearful that a few piano wires are coming in here, of course, I cannot help it, but when you fear the importations of steel because of this legislation, it is ridiculous. Can you say that foreign business would manufacture steel, ship it to this country, and store it in a warehouse at their expense, and then await a sale, and, if not sold, then put these goods up at public auction and sell them? What sort of price will they bring? They will be sold for nearly nothing. Now, my friends, when has it happened that foreign manufacturers are willing to make up and fabricate their goods with all the expense involved, bear the expense of shipment, the expense of storage, and lose all of this expenditure.

I think it is time for us to stop and take stock in regard to this legislation, because there is nothing involved here that is particularly new. It is merely a convenience to Americans and the measure is solely for their benefit.

[Here the gavel fell.]

Mr. CULLEN. Mr. Chairman, I move that the Committee rise in order that the Speaker may sign a bill that is to go to the President.

The motion was agreed to.

Accordingly, the Committee rose, and the Speaker, having resumed the chair, Mr. JOHNSON of West Virginia, Chairman of the Committee of the Whole House on the state of

the Union, reported that the Committee, having had under consideration the bill H.R. 9322, had come to no resolution thereon.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 2837. An act to provide for the establishment of the Everglades National Park in the State of Florida, and for other purposes;

H.R. 6803. An act to regulate the distribution, promotion, retirement, and discharge of commissioned officers of the Marine Corps, and for other purposes;

H.R. 9068. An act to provide for promotion by selection in the line of the Navy in the grades of lieutenant commander and lieutenant; to authorize appointment as ensigns in the line of the Navy all midshipmen who hereafter graduate from the Naval Academy; and for other purposes; and

H.J.Res. 347. Joint resolution to prohibit the sale of arms or munitions of war in the United States under certain conditions.

FOREIGN-TRADE ZONES

Mr. CULLEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H.R. 9322) to provide for the establishment, operation, and maintenance of foreign-trade zones in ports of entry of the United States, to expedite and encourage foreign commerce, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H.R. 9322, with Mr. JOHNSON of West Virginia in the chair.

The clerk read the title of the bill.

The CHAIRMAN. The clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That when used in this act—

(a) The term "Secretary" means the Secretary of Commerce;
(b) The term "Board" means the Board which is hereby established to carry out the provisions of this act. The Board shall consist of the Secretary of Commerce, who shall be chairman and executive officer of the Board, the Secretary of the Treasury, and the Secretary of War;

(c) The term "State" includes any State, the District of Columbia, Alaska, Hawaii, and Puerto Rico;

(d) The term "corporation" means a public corporation and a private corporation, as defined in this act;

(e) The term "public corporation" means a State, political subdivision thereof, a municipality, and a public agency of a State, political subdivision thereof, or municipality;

(f) The term "private corporation" means any corporation (other than a public corporation) which is organized for the purpose of establishing, operating, and maintaining a foreign-trade zone and which is chartered under special act enacted after the date of enactment of this act of the State or States within which it is to operate such zone;

(g) The term "applicant" means a corporation applying for the right to establish, operate, and maintain a foreign-trade zone;

(h) The term "grantee" means a corporation to which the privilege of establishing, operating, and maintaining a foreign-trade zone has been granted;

(i) The term "zone" means a "foreign-trade zone" as provided in this act.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman from Massachusetts [Mr. TREADWAY] a few moments ago made some statements during which he said I had made the statement that there was no change in this bill from the Smoot-Hawley bill, and the gentleman knows better than that.

I am not going to draw back a bit from that statement, although the gentleman misquoted me. I sent for a copy of my remarks, and I have here what I did say, and yet I accept the statement that the gentleman from Massachusetts makes, in view of the several remarks I have made

today on this bill. What I said with reference to the gentleman from Massachusetts [Mr. TREADWAY] is as follows:

The gentleman from Massachusetts [Mr. TREADWAY] says that by the passage of this bill it gives the power to assemble and manipulate, and so forth. There is nothing in that that you have not in the tariff law passed in 1930, which the gentleman from Massachusetts helped to draft.

This was the statement I made, and there is nothing in this bill but what the Tariff Act of 1930 now provides with reference to the bonded warehouses of this country.

With reference to the drawback, in a colloquy with the gentleman from Michigan [Mr. WEIDEMAN], I specifically referred to the drawback and I referred to that as an illustration that this bill would be helpful by eliminating the unnecessary expense and the inconvenience and the trouble of the drawback.

I like the gentleman from Massachusetts personally and have a high regard for him; and these exchanges today, while they are personal, are meant to be friendly. However, when my friend from Massachusetts [Mr. TREADWAY] undertakes to state that I made statements that the RECORD shows I did not make, then I feel constrained for the gentleman's own personal benefit to correct the erroneous impression that honestly exists in his mind.

Mr. TREADWAY. Mr. Chairman, I move to strike out the last two words. I not only have the highest personal admiration for my colleague [Mr. McCORMACK], but I have a very high political admiration for him. To a certain extent, that is caused by the fact that his is contrary to my own political attitude. I have known for these many years that he is rated as one of the leading influential Democrats in the Old Bay State, and we all know of his standing with his party in Congress. [Applause.] Today he is being written about, talked about, gossiped about as a possible candidate of the Democratic party for the empty honor this fall of being the Democratic gubernatorial candidate. [Applause.]

Mr. CONNERY. Did the gentleman say empty?

Mr. TREADWAY. Yes; I said the empty honor.

Mr. McCORMACK. But the Governor is going to be a Democrat.

Mr. TREADWAY. Not this fall as the present Governor has declined to be a candidate. My objection to the suggestion I have offered is that it would deprive this House of the services of one of the influential leaders of the Democratic side, and we all know it is greatly in need of leadership.

So far as the argument between us is concerned, I am only too glad to offer to my colleague from Massachusetts any apology or explanation or any word he wants to put in. My suggestion in relation to my statement is that my good friend talks so fast and so loud and is so rapid in gesticulation that it is hard for a confused mind like mine to follow him. Therefore, I think he will permit me to say that I surely had no expectation that he would say that there was no great difference between the Smoot-Hawley bill and this bill.

So I think he had better let the whole thing rest right where it is, and that we will continue to be as good friends as we have been for many years. [Applause.]

Mr. DIRKSEN. Mr. Chairman, I move to strike out the last four words. Mr. Chairman and Members of the Committee, there is a principle in law which says that there is no benefit without a burden. If this bill has any benefits I should like to have them for my district. If the benefits are charged with burdens which are not excessive, I still should like to have them. From the discussion I am not quite clear as to what it might do for people living inland.

A port of entry, while not described in the bill, is, as I understand, any port designated by the President where there is a collector of customs. That means that Chicago is a port of entry; that means that St. Louis, Peoria, and all these ports on inland waterways where there is a collector of customs are ports of entry. Now, the importance

of a port of entry, inland, can best be had from this bill if you will read the first eight or ten words of section 3 on page 4, where it reads:

Foreign and domestic merchandise of every description, except such as is prohibited by law, may, without being subject to the custom laws . . . be brought into a zone.

It does not say that it must be material or merchandise that is boxed that can go into a bonded warehouse. It does not necessarily have to be crated. It says "merchandise," and that would include bulk goods.

I am here in the spirit of inquiry, and I am going to ask the committee whether that section would permit bulk goods to come in. Can ships from South America, for instance, come in with wheat, go up to one of the grain unloaders in an inland port and have that grain unloaded? It does not have to be in bags, it does not have to go into a bonded warehouse. It will save money. They do not have to crate steel to bring it in. They do not have to crate lumber. Welsh and Russian coal are included in the term "merchandise." I see nothing in the bill that compels the building of warehouses or stockyards, or anything else. Even livestock can come in under the provisions of this bill.

Now, the advantages, as pointed out, to the American importer are that there is no fee that goes along with putting bulk merchandise in bond. There would be nothing to prevent them setting up a free zone at any one of the inland ports of Illinois or Ohio or West Virginia, or wherever there is a navigable stream and a collector of customs, to permit the unloading of bulk goods, such as steel and lumber, wheat and coal. That is an advantage, as far as the importer is concerned. There is no fee for putting it in bond. There is no necessity for great extensive bonded warehouses. You can see that it is a distinct advantage. That is an important consideration.

I note that Philadelphia, Boston, San Francisco, and some of the other coast points have memorialized Congress to the effect that they are in favor of this bill. I see nothing, however, from some of the inland ports, like Duluth, Milwaukee, Chicago, St. Louis, Peoria, and elsewhere. I am just asking the committee whether they have endorsed the principle of this bill.

Mr. VINSON of Kentucky. The gentleman realizes that if an inland port does not want to take advantage of this legislation there is nothing in the bill to compel them. It is permissive, but we felt they should have an opportunity to take advantage of it if they so desired. If we had not incorporated that thought in the bill, I think the gentleman from Illinois, my very capable friend, Mr. DIRKSEN, would be here today complaining of not being given an opportunity to avail himself of it.

Mr. DIRKSEN. I want to ask another question. Is it not true that bulk goods will receive a distinct advantage under this bill as compared with the present system of having to put merchandise in bond?

Mr. VINSON of Kentucky. I just do not follow the gentleman.

Mr. DIRKSEN. Is there anything to prevent them from bringing all kinds of bulk goods that would be too expensive to put in a bonded warehouse, and upon which you must pay fees at the present time for storage in bond?

[Here the gavel fell.]

Mr. DIRKSEN. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. DIRKSEN. I want to ask another question. I understand that if a State or municipality undertakes to make application, it must first be approved by the legislature of the State?

Mr. VINSON of Kentucky. Not at all. If the gentleman will take time to read the first four lines on page 2 he will find that public corporations means a State, political subdivision thereof, a municipality, a public agency of a State, political subdivision thereof, or municipality. When it comes to the definition of a private corporation it is

limited to those who get a special charter from the legislature. The idea about that was to have it of a public nature, so that people might not go out and form a private corporation with the idea of making a tremendous amount of money and possibly be disappointed. Our idea was to have it of a public nature, or at least quasi-public, until this thing was tried out and we could see whether or not it was advantageous to permit it to be operated by private corporations.

Mr. DIRKSEN. The language of paragraph (d) of section 4 is rather involved. I want to say that I should like to vote for this bill if it brings any advantage to the port of entry in my district. If the disadvantages outweigh the advantages, I should vote against it.

[Here the gavel fell.]

Mr. HART. Mr. Chairman, I rise in opposition to the amendment.

I want to say to my friend from Illinois, Mr. DIRKSEN, who is worrying about bulk goods, that all throughout the country bulk goods are being unloaded and stored in bond, under the Hawley-Smoot tariff law. In the city of Buffalo we have regular grain elevators, and we have milling concerns. The grain used in manufacturing flour for export to the island of Cuba is stored in bulk in the mills at Buffalo. It comes in as Canadian grain and goes out as American flour and gets the 20-percent preferential tariff which we have with Cuba today. It is done to the direct damage of the hard-wheat section of the Northwest and the Kansas Hard-Wheat belt. That is permitted today under the Hawley-Smoot tariff.

Now, as to goods coming into ports like New York, Philadelphia, and Baltimore, I have bought merchandise from samples taken while those goods were in bond, and also sold them for shipment. The original importer, after they had been bought and resold on samples procured from the bonded warehouse, paid the tariff, and shipped those goods. So that the very thing provided for in this bill is being done today.

So far as bringing in bulk grain to Peoria or St. Louis or any of the ports on the Mississippi River is concerned, I do not think that any country will be foolish enough to ship their grain into those markets, because the price is higher at the eastern terminal, to which the freight has to be paid from the West. Grain does not move in that direction.

Mr. DIRKSEN. The gentleman mentioned milling in bond, but what about other bulk commodities?

Mr. HART. I am not familiar with other bulk commodities except I have bought and sold other commodities that went directly into a bonded warehouse, obtained samples, sold goods, and then afterward the party who imported them released them from bond by paying the duty, and shipped them out. That is the only thing that can be done under the operation of this bill should it be enacted into law, but instead of having to pay this tariff, or having to get a drawback, he can store the goods indefinitely; but he can do the same thing under the Hawley-Smoot tariff bill.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. HART. I yield.

Mr. WHITE. What is the situation with reference to wheat coming into this country from Canada?

Mr. HART. They can store wheat in elevators just as they are doing in Buffalo.

[Here the gavel fell.]

Mr. SABATH. My colleague from Illinois wants to know what the bill will do for Chicago and what the attitude of the merchants and importers of that city is relative to this bill. I have received from the Commerce Association of Illinois and of Chicago several communications endorsing this legislation. Consequently I am satisfied that the business men and the importers, as well as the manufacturers, must feel favorably disposed toward the bill.

Knowing the personnel of the Ways and Means Committee, and knowing their desire to aid the commerce of the Nation, even if such a recommendation had not been made, I would not hesitate to support this legislation because under Republican administration we lost nearly all of our export

trade. I want to congratulate the committee and the administration upon the splendid efforts they have made and are making toward rebuilding our exports and increasing our business and manufactures. While we still have close to 9,000,000 people out of employment, the number is being steadily reduced, and I feel that every effort should be made to increase production and create employment. I feel that this bill will, in a measure, aid in bringing that about. It is my earnest belief that this bill should receive favorable consideration and be passed without long delay.

Mr. CULLEN. Mr. Chairman, I move that all debate on this section and all amendments thereto do now close.

The motion was agreed to.

The Clerk read as follows:

SEC. 2. (a) The Board is hereby authorized, subject to the conditions and restrictions of this act and of the rules and regulations made thereunder, upon application as hereinafter provided, to grant to corporations the privilege of establishing, operating, and maintaining foreign trade zones in or adjacent to ports of entry under the jurisdiction of the United States.

(b) Each port of entry shall be entitled to at least one zone, but when a port of entry is located within the confines of more than one State such port of entry shall be entitled to a zone in each of such States. Zones in addition to those to which a port of entry is entitled shall be authorized only if the Board finds that existing or authorized zones will not adequately serve the convenience of commerce.

(c) In granting applications preference shall be given to public corporations.

(d) In case of any State in which harbor facilities of any port of entry are owned and controlled by the State and in which State harbor facilities of any other port of entry are owned and controlled by a municipality, the Board shall not grant an application by any public corporation for the establishment of any zone in such State, unless such application has been authorized by an act of the legislature of such State (enacted after the date of enactment of this act).

Mr. BLAND. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BLAND: Page 3, line 11, after the word "States", strike out the period, insert a comma, and the following: "And when two cities separated by water are embraced in one port of entry a zone may be authorized in each of said cities, or in territory adjacent thereto."

Mr. CULLEN. Mr. Chairman, this is, of course, to provide for Newport News?

Mr. BLAND. Yes; to take care of such a situation as we have at Norfolk and Newport News; and I think there is a similar situation in California and one in Texas.

Mr. CULLEN. Mr. Chairman, I accept the amendment.

The CHAIRMAN. The question is on the amendment of the gentleman from Virginia.

The amendment was agreed to.

Mr. McDUFFIE. Mr. Chairman, I move to strike out the last word to ask a question with regard to subsection (d). Suppose a State owns harbor facilities in a port and the city owns harbor facilities in the same port. I take it, under this language, the Board could not grant an application to any corporation until the legislature of the State has taken action. In some States the legislatures meet only once in 4 years. Would this necessarily mean, therefore, that in a case such as I cited there would be a delay of from 2 to 4 years before that port city could have the advantage of this legislation?

Mr. McCORMACK. I might say to the gentleman from Alabama that that particular case was never called to the attention of the subcommittee, where the Commonwealth or the State owned port facilities in a harbor and at the same time the city owned facilities in the same harbor. It seems to me the language of this section is very protective of the city's interest and would clearly show the justification of such a provision.

The committee had in mind that in some States there are ports in which the State owns the water front or where the city owns it; and the committee was confronted with the situation where the State could immediately establish a foreign trade zone in its State-owned port, whereas the city-owned port would have to go to the legislature for authority to issue bonds to raise the necessary money to establish the foreign-trade zone. The committee felt that it was not fair

to give this advantage to the State; that both should start on a par; that both should have the same opportunity.

Mr. McDUFFIE. I think the committee has been eminently fair in meeting the situation; but I refer to the case of a port in which not only does the State own facilities but the municipality also owns facilities.

I think New Orleans, La., occupies this position and I know the port of Mobile, in my district, in Alabama, is in a similar position. I was fearful there might be some delay in those cities taking advantage of this legislation which I heartily approved.

Mr. VINSON of Kentucky. If I understand the gentleman from Alabama, the case which he presents is where both State and cities own harbor facilities, of course, at the same place.

Mr. McDUFFIE. At the same place.

Mr. VINSON of Kentucky. It is my understanding that in that character of case subsection (d) would not apply.

Mr. McCORMACK. That is my opinion.

Mr. McDUFFIE. Subsection (d) is made to apply to 2 ports and 2 cities in the same State.

Mr. VINSON of Kentucky. Yes.

[Here the gavel fell.]

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that the gentleman may be allowed to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. In relation to the ports where one is owned by the State and the other port is owned by the city, you will notice the language:

In case of any State in which harbor facilities of any port of entry are owned and controlled by the State and in which State harbor facilities of any other port of entry are owned and controlled by a municipality.

So this would not apply to the particular case the gentleman has in mind where the State and city both owned some part of a water front within the port.

Mr. COLDEN. May I ask the gentleman a question? The harbor at San Francisco, Calif., is owned by the State. At Los Angeles the harbor is owned by the municipality. Why would it be necessary for those two cities to go to the State Legislature to establish one of these zones? I cannot see the logic of that proposition.

Mr. McDUFFIE. The gentleman takes the position that the Board, which must be a board composed of men who understand these problems would be fair in its decision and there would be no necessity for subsection (d)?

Mr. COLDEN. Yes. I cannot see any reason for discrimination against either the port of San Francisco or the port of Los Angeles.

[Here the gavel fell.]

The Clerk read as follows:

SEC. 3. Foreign and domestic merchandise of every description, except such as is prohibited by law, may, without being subject to the customs laws of the United States, except as otherwise provided in this act, be brought into a zone and may not be manufactured in such zone but may be stored, exhibited, broken up, repacked, assembled, distributed, sorted, graded, cleaned, mixed with foreign or domestic merchandise, or otherwise manipulated, and be exported, and foreign merchandise may be sent into customs territory of the United States therefrom, in the original package or otherwise; but when foreign merchandise is so sent from a zone into customs territory of the United States it shall be subject to the laws and regulations of the United States affecting imported merchandise: *Provided*, That when the privilege shall be requested the collector of customs shall supervise the unloading of foreign merchandise, in the zone, cause such merchandise or any portion thereof to be appraised and the duties liquidated thereon. Thereafter it may be stored or manipulated under the supervision and regulations prescribed by the Secretary of the Treasury, and within 2 years after such unloading such merchandise, whether mixed with domestic merchandise or not, may be sent into customs territory upon the payment of such liquidated duties thereon; and if not so sent into customs territory within such period of 2 years such merchandise shall be disposed of under rules and regulations prescribed by the Secretary of the Treasury and out of the proceeds the duties shall be paid and the remainder, if any, shall be delivered to the owners of the property: *Provided further*, That subject to such regulations respecting identity and the safeguarding of

the revenue as the Secretary of the Treasury may deem necessary, articles the growth, product, or manufacture of the United States, and articles previously imported on which duty has been paid, or which have been admitted free of duty, may be taken into a zone from the customs territory of the United States, and may be brought back thereto, free of duty, whether or not they have been combined with or made part, while in such zone, of other articles: *Provided*, That if in the opinion of the Secretary of the Treasury their identity has not been lost such articles not entitled to free entry by reason of noncompliance with the requirements made hereunder by the Secretary of the Treasury shall be treated when they reenter the customs territory of the United States as foreign merchandise under the provisions of the tariff laws in force at that time.

With the following committee amendment:

Page 4, line 5, after the word "manufactured" insert "or exhibited"; and in line 6, after the word "stored", strike out the word "exhibited."

The committee amendment was agreed to.

Mr. McFADDEN. Mr. Chairman, I move to strike out the last word for the purpose of securing some information. May I ask the gentleman in charge of this bill a question in connection with section 3? It says that foreign merchandise may be brought into a zone in the United States and may not be manufactured or exhibited in such zone, but may be stored, broken up, repacked, assembled, distributed, and so forth. Then on page 9, line 5 of the bill, reference is made to adequate facilities for coal or other fuel. May I ask the gentleman whether or not Russian coal, for instance, will be permitted to come into these free ports and be stored?

Mr. VINSON of Kentucky. I think the gentleman will find that that provision is in connection with the zone.

Mr. McFADDEN. Will the gentleman tell me whether or not Russian coal may be shipped to these free zones, stored and reshipped to American consumers?

Mr. McCORMACK. This language applies to coal that is actually used in connection with the foreign trade zone itself, just the same as you and I buy coal for our homes.

Mr. McFADDEN. But, eliminating that now, can Russian coal be shipped in and stored in these free zones?

Mr. McCORMACK. No.

Mr. McFADDEN. Why not?

Mr. McCORMACK. Why, there are various reasons from the practical angle that that would not be done.

Mr. McFADDEN. Would the gentleman say that Russian coal may not be stored?

Mr. McCORMACK. Nothing can be done under this bill that cannot be done under existing law. This does not extend the existing law; it simplifies existing law.

Mr. McFADDEN. Goods may now come in under bond. It seems to me Russian coal can come in, be stored and sold in competition with coal from my State. I should like to have somebody answer that question for me. No duty would have to be paid till coal or other goods were resold.

Mr. HOLMES. Is there any limitation in this law as to where zones are created? Cannot any city establish a free zone, if they desire, under this bill?

Mr. McFADDEN. Any city that is a port of entry.

Mr. WELCH. Russian coal brought in and deposited in a foreign trade zone and that coal afterward sold in the United States would have to pay the tariff duty. Then why would they have to store the coal?

Mr. McFADDEN. For convenience in ready shipment to the trade. I am asking whether or not it is possible to ship goods in here from Russia and store and sell them here.

Mr. WELCH. That is not the intent and purpose of the bill.

Mr. McFADDEN. I want to know whether it can be done or not.

Mr. McCORMACK. I cannot understand the gentleman from Pennsylvania. It is as plain and clear as the noon-day sun that this covers adequate facilities for coal or other fuel and for light and power.

Mr. McFADDEN. For what purpose?

Mr. McCORMACK. For the convenience of the zones.

Mr. McFADDEN. Under clause 3 merchandise or other materials may be imported from abroad.

Mr. McCORMACK. That does not relate to this at all.

Mr. McFADDEN. Will the gentleman say that this will not permit the shipment of Russian coal, to be stored in these three zones, to facilitate earlier and quicker delivery?

Mr. McCORMACK. No more than the law does today. This language provides for heating and lighting.

Mr. McFADDEN. I am referring now to section 3, and no one has answered my question.

Mr. TREADWAY. Mr. Chairman, I do not want to intrude on this colloquy because I am opposed to the bill as a whole, but I do think the gentleman from Pennsylvania [Mr. McFADDEN] brings up a question that ought to be definitely answered.

Mr. CULLEN. The question was definitely answered a moment ago.

Mr. TREADWAY. The gentleman said it was as plain as could be, but it is not plain to the gentleman from Pennsylvania or to me or to many others here.

Mr. CULLEN. The answer is that they can no more do that under this bill than they can today.

Mr. TREADWAY. That is a mistake. What do you have the bill here for if you are not making changes in the law? If you can do under the present law what this bill provides, let us throw this bill in the waste basket and go home. It is half past 5 now and it is time to go home. There is no use sitting around here debating this bill if we can do under existing law exactly what we can do after we pass this bill.

Mr. CULLEN. If the gentleman is tired—

Mr. TREADWAY. Just a moment. I have not yielded to the gentleman. I will, of course, yield to him, but I want to insist that we have more of an explanation of the inquiry of the gentleman from Pennsylvania than simply having him told that this is as plain as can be and does not change the present law.

Mr. CULLEN. I cannot give the gentleman any further explanation of it.

Mr. McFADDEN. If the gentleman will permit, I may say further that Russian coal can be shipped into New England ports or to Atlantic ports today at \$1 a ton less than it can be shipped to the same points from the anthracite section of Pennsylvania, and I should like to know whether this is going to facilitate the sale of Russian coal in competition with Pennsylvania coal.

Mr. FITZPATRICK. Assuming they shipped the coal, unloaded it, and put it in storage and then shipped it out again, could they do this at a lower cost?

Mr. McFADDEN. I think they might; yes.

Mr. FITZPATRICK. It seems very doubtful to me.

[Here the gavel fell.]

The Clerk read as follows:

Sec. 5. Vessels entering or leaving a zone shall be subject to the operation of all the laws of the United States, except as otherwise provided in this act, and vessels leaving a zone and arriving in customs territory of the United States shall be subject to such regulations to protect the revenue as may be prescribed by the Secretary of the Treasury.

With the following committee amendment:

Page 6, after line 7, insert: "Nothing in this act shall be construed in any manner so as to permit vessels under foreign flags to carry goods or merchandise shipped from one foreign trade zone to another zone or port in the protected coastwise trade of the United States."

The committee amendment was agreed to.

The Clerk read as follows:

Sec. 9. The Board shall cooperate with the State, subdivision, and municipality in which the zone is located in the exercise of their police, sanitary, and other powers in and in connection with the free zone. It shall also cooperate with the United States Customs Service, the Post Office Department, the Public Health Service, the Bureau of Immigration, and such other Federal agencies as have jurisdiction in ports of entry described in section 2.

Mr. GOSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Goss: Page 7, line 25, after line 25 insert a new section as follows:

"That paragraph (1) of section 3 of the Interstate Commerce Act, as amended, is hereby amended by adding at the end thereof a new sentence to read as follows: 'The word "locality" as used herein, includes any port with respect to import, export, and coastwise traffic routed through it.'"

Mr. GOSS. Mr. Chairman, I am offering this amendment because I want to call the Committee's attention to this fact. The Supreme Court a year ago passed upon section 3 of the Interstate Commerce Act, and this amendment amends that section so that the word "locality" would include a port.

Today it is unlawful for any common carrier, subject to the provisions of the Interstate Commerce Act, to make or to give any undue or unreasonable preference or advantage to any particular person, firm, or corporation or any particular description of traffic in any respect whatsoever or to subject any particular person, firm, or corporation or locality or any particular description of traffic to any undue or unreasonable prejudice or disadvantage in any respect whatsoever.

I am reading from the act itself. All that this amendment does is to cure for the port cities the decision handed down by the Supreme Court, and I am sure that the Congress, when it originally passed this act, intended to have the word "locality" include a port. This is all there is to the amendment.

Mr. CULLEN. Mr. Chairman, this is too important an amendment to be agreed to in this way. We did not have this question presented to us when the bill was before the subcommittee or before the committee.

Mr. GOSS. That is true.

Mr. CULLEN. And I do not think we should accept it now.

Mr. GOSS. There is a bill pending now dealing with this subject and all the port cities are favorable to it.

Mr. CULLEN. I think this is a matter that should have further study, and therefore I do not think the amendment should prevail.

The amendment was rejected.

The Clerk read as follows:

Sec. 11. If the title to or right of user of any of the property to be included in a zone is in the United States, an agreement to use such property for zone purposes may be entered into between the grantee and the department or officer of the United States having control of the same, under such conditions, approved by the Board and such department or officer, as may be agreed upon.

Mr. TREADWAY. Mr. Chairman, I move to strike out the last word. We did not seem to secure a great deal of information on the possibility of the importation of coal which might be sold. Like other statements, we were told that it was not going to change the law. Of course, if it is not going to change the law, we need not pass the bill.

But I state definitely that it does change the conditions under which articles can be imported, such as coal.

A year ago we were urged by the representatives of the coal area to put an excise tax on coal. It was in an excise bill but it was a tariff pure and simple. There were four articles added to the excise bill, and one was coal. The reason it was put in is that the representatives of the coal-producing area felt that there was great danger of the importation of too much Russian coal.

Mr. McFADDEN. It also includes oil.

Mr. TREADWAY. Oil, lumber, and copper, I believe, were the other articles. Now, if there is danger of the importation of Russian coal in competition with West Virginia, Pennsylvania, and other coal areas, the difference you are setting up in this bill is simply that when coal is brought in under the present law you have to pay the tariff before it can be landed. Now it is going to be stored and paid for when it is sold in competition with coal from Pennsylvania or West Virginia. If that is not a change of law, I wish the gentleman would explain it.

FOREIGN TRADE ZONES

Mr. Chairman, I am opposed to the passage of this bill, which provides for the setting-up of so-called "foreign-trade zones" in the ports of entry of the United States, into which foreign merchandise may be entered without payment of duty, there to be stored, repacked, assembled, and otherwise manipulated before transshipment to other countries of entry from the United States.

This bill will be of no benefit to American producers or American workmen, nor is it intended for that purpose. On

the contrary, it will encourage the dumping of cheap foreign merchandise upon the domestic market, and thereby further depress domestic industry. It is out of harmony with the policy of protection and is a step in the direction of free trade. It would increase the opportunity for smuggling, and at the same time would require enormous additional expenditures for the protection of the Federal revenue.

While ostensibly proposed as an aid to the transshipment of foreign merchandise to other foreign ports, it would be used chiefly as a means of consigning immense quantities of foreign goods into the free zones, there to await sale in the United States. In fact, this is one of the arguments cited in support of the measure. In the report of the committee there is a letter from the Chamber of Commerce of the United States directly stating that—

It is believed that * * * American merchants and manufacturers will benefit in a variety of ways from the advantages of a wide American consignment market for foreign products.

The merchants who would benefit, of course, would be those selling foreign goods.

This bill is not necessary as an aid to commerce in the transshipment of foreign goods, as is contended, because under existing law there is ample provision for the importation of goods under bond and for drawback of duties on goods reexported. While doubtless complete freedom from customs custody, as provided by the bill, would be more convenient, our primary consideration must be the welfare of our own producers and the convenience of the Government of the United States.

The report of the committee sets forth letters from the Treasury and Commerce Departments supporting "in principle" the proposed legislation, but it purposely does not include a communication from the Tariff Commission, in which the Commission throws doubt upon the practicability of enacting the measure at the present time. The communication states in part:

The Tariff Commission has given no special study to this particular subject since its report to the Congress in 1919. The conditions then facing the commerce of the United States were radically different from what they are at the present time. The positive arguments then advanced by the Tariff Commission in favor of free zones accordingly would have little or no weight at present. Testimony to this effect was presented to your committee last year by Thomas Walker Page, Vice Chairman of the Commission, when you conducted hearings on the subject. The expense, the intricacy, and difficulty of devising regulatory legislation, and the probable cost imposed upon sundry ports due to efforts to maintain themselves in the competition for transshipment business would lead to considerable trouble. The amount of traffic has diminished even more. There appears to be at the present time no reason such as existed 14 years ago for the establishment of free zones.

While favoring the legislation in principle, the Secretary of Commerce, Mr. Roper, also expressed some doubt as to the practicability of enacting the bill at the present time. After referring to the changes which have taken place with respect to our foreign trade in recent years, Secretary Roper said:

There may be some doubt therefore whether the establishment of foreign-trade zones is as urgent at the present time.

Although the present Secretary of the Treasury states that he sees "no objection" to the proposed measure, I call the attention of the House to the fact that under date of December 19, 1929, the then Acting Secretary of the Treasury, Hon. Ogden L. Mills, in a letter to the Senate Committee on Commerce, opposed similar legislation then under consideration. He emphasized the fact that the proposed legislation was unnecessary in view of the provisions of existing law under which foreign merchandise may be manipulated under bond without payment of duty, and pointed out that after all, the warehouse system was, in effect, a modified form of free-zone activity.

In this connection, Acting Secretary Mills said:

This warehouse system has been built up by various carefully considered enactments of law extending over a long period of time. If it should seem desirable to add to the privileges now allowed under the manipulation warehouse law that of taking domestic merchandise into warehouse, this could readily be accomplished by amending said section 562.

Addressing himself to the burdens which the proposed legislation would put upon the Treasury, Mr. Mills continued:

The expense now incurred by reason of customs supervision in a restricted area such as warehouses would be small in comparison to the expense which would necessarily be incurred in guarding free zones. Exact records must be kept of all importations and of every change made in connection therewith. The same restrictions that are now thrown around warehouses, such as the employment of storekeepers, would be necessary. It seems obvious that greater opportunity for loss by smuggling and theft would be present in a large area into which domestic merchandise could be taken than is now present under the existing warehouse system.

After a careful consideration of the bill in connection with a review of the facilities now afforded by storage warehouses, where merchandise may remain for 3 years without payment of duty, of manufacturing warehouses, smelting, and refining warehouses, and manipulation warehouses, I am of the opinion that it should not become a law.

In connection with Secretary Mills' reference to the greater opportunity for smuggling, I wish to point out that the present Secretary of the Treasury, Mr. Morgenthau, in his letter to the committee, also referred to this feature of the free-zone system. He said:

The location of these zones has an important bearing on the possibility of smuggling. * * *

The report of the committee lays great stress upon the fact that there are now 41 foreign-trade zones in various countries of the world, one of the most noted of which is that of Hamburg, Germany. It may be that in the European countries there is some necessity for free ports, owing to the large amount of goods unladen at a central port and then transhipped to nearby countries. In this country no such condition exists. Our transshipment business is a very small part of our foreign trade, and it will always be so, no matter how many free ports we may have.

As bearing upon this phase of the bill, I wish to quote from a letter found in the hearings upon this subject which were held before the Ways and Means Committee in 1919. This quotation, I believe, is a direct answer to those who think that because the free-zone system works advantageously in Europe, it should be invoked here. Addressing the then chairman of the committee, Mr. Fordney, Mr. Irving T. Bush, president of the Bush Terminal, in New York City, stated:

There are fundamental reasons why a free port is an advantage in certain countries in Europe.

First. Some of the countries are compelled to import a large part of their raw materials for purposes of manufacture.

Second. These same countries are compelled to find a market for a large part of their manufactured product in foreign countries.

This makes an unusually advantageous combination for the development of a free port.

In the United States we produce within our own country the greater part of the raw material which enters into our manufactures, and our great market for the consumption of our manufactured products is within our own boundaries.

This variance between the conditions in Europe and those in the United States makes a fundamental difference between the advantages which may come from a free-port development in Europe and in this country.

My objection to free ports, however, has nothing to do with the matter of transshipments. Rather, it is directed more to their effect upon domestic industry. Attention has already been called to the smuggling feature. More important is the direct invitation to dump foreign products upon the domestic market. Not all the goods brought into the free zone will be destined for reexport to foreign countries. A large part will be sent on consignment for importation into the United States as the demand arises.

Thus these foreign-trade zones will be nothing but a bazaar, a veritable world's fair, where goods from all nations may be stored for ready access to the domestic market. The Atlantic and the Pacific, which now form somewhat of a natural barrier against foreign imports, will be obliterated by the bill. The products of Japan, of India, of Czechoslovakia, and of other countries will be sold at our very doorstep in competition with domestic merchandise.

Of course, any goods taken out of the foreign trade zone for sale in the United States must pay the regular customs duty, but the fact is that by bringing the goods to our

shores in large lots and then parceling them out in small quantities, foreign producers will make it more convenient for domestic importers to obtain their merchandise. Everyone understands that accessibility for quick delivery is an important consideration in trade. The bill, therefore, is an encouragement to foreign importations and will redound directly to the detriment of American producers and American workmen. It is in complete harmony with the administration's program to make the domestic market more accessible to foreign producers. Coupled with the reciprocal tariff bill, and the consequent reduction of duties on imported foreign goods, it should help the administration's effort to make it unprofitable to produce goods in this country.

In closing, I wish to point out that this bill is the culmination of 15 years of effort to get this legislation enacted. During all that time Congress has repeatedly refused to give it favorable consideration. Now, when even some of its former sponsors admit its enactment is impracticable, it is brought out of the moth balls and rushed through with only an hour's debate. A similar bill in the Senate was put through that body without any debate.

I wish to call attention, also, to the fact that the Tariff Commission, in their letter to the committee, stated that they would be glad to have Commissioner Page come before the Ways and Means Committee and discuss the bill, and that the committee refused to call him before it. This legislation was handled in the committee by a subcommittee, of which the gentleman from New York [Mr. CULLEN] was chairman. It was reported out by the full committee after only brief consideration at a morning session, without a majority of the committee knowing what it was all about. I tried, unsuccessfully, to postpone consideration for an additional day to have Commissioner Page come before the full committee and explain the Commission's opposition to the bill. Of course, if the Democratic majority wish to take the responsibility for enacting this legislation without full consideration of its implications, that is their privilege. Most of the legislation which has been enacted in the Seventy-third Congress has been considered in this way.

Mr. VINSON of Kentucky. Mr. Chairman, there is no more authority in this bill for the importation of Russian coal into this country than exists in existing law. Under existing law, Russian coal can be laid down in New York Harbor and can be stored in a bonded warehouse. Whenever that coal is taken from the bonded warehouse, you must pay the tariff upon the coal and then it goes into competition with American-produced coal.

Under this bill coal can be laid down in New York or any other foreign-trade zone; and before it goes into competition with other coal, it must pay a tariff duty. The only difference between existing law and this bill is that under this bill you avoid the execution of bond.

Mr. HASTINGS. And the same is true on oil.

Mr. VINSON of Kentucky. And the same is true on oil. This bill does not open the door any wider for Russian coal or foreign oil than the present existing law of the land.

Mr. GLOVER. Will the gentleman yield?

Mr. VINSON of Kentucky. I yield.

Mr. GLOVER. Section 4 of this bill provides that the Secretary of the Treasury shall assign to the zone necessary customs officers and guards to protect the revenue and to provide for the admission of foreign merchandise into the customs territory. The question I desire to ask is, Will that require an additional expense to be incurred in the collection of this revenue? Will it not create quite an additional expense in collecting the revenue when it is collected?

Mr. VINSON of Kentucky. The gentleman asks a very pertinent question. I refer him to section 14, on page 10, where he will find that the cost of maintaining the additional Customs Service required under this act shall be paid by the operator of the zone.

The Clerk read as follows:

Sec. 15. (a) No person shall be allowed to reside within the zone except Federal, State, or municipal officers or agents whose resident presence is deemed necessary by the Board.

(b) The Board shall prescribe rules and regulations regarding employees and other persons entering and leaving the zone. All rules and regulations concerning the protection of the revenue shall be approved by the Secretary of the Treasury.

(c) The Board may at any time order the exclusion from the zone of any goods or process of treatment that in its judgment is detrimental to the public interest, health, or safety.

(d) No retail trade shall be conducted within the zone except under permits issued by the grantee and approved by the Board. Such permittees shall sell no goods except such as are brought into the zone from customs territory.

With the following committee amendment:

Page 11, line 10, after the word "such", insert "domestic or duty-paid or duty-free goods."

The committee amendment was agreed to.

The Clerk concluded the reading of the bill.

Mr. BURNHAM. Mr. Chairman, I move to strike out the last word. I have always favored a protective tariff, and I do today. I believe in protection for American industry and American labor. For that reason I am going to support this bill because I believe it effects no change as far as the protective tariff is concerned, for any commodity that might come to our shores.

I notice that this bill has received favorable commendation from such public and private organizations as the Chamber of Commerce of the United States, the Chamber of Commerce of the State of New York, the Merchants' Association of the City of New York, the Boston Chamber of Commerce, the Philadelphia Board of Trade, the Baltimore Association of Commerce, the Chicago Association of Commerce, the San Francisco Chamber of Commerce, and many other trade and public organizations.

The San Diego Chamber of Commerce has wired me urging me to support this measure. The membership of these various organizations which favor this legislation are composed of Democrats and Republicans alike, and they are all, each and every one, Americans and must therefore necessarily have the welfare of this country and this Nation and the industries of this country and the labor of this country at heart.

The Secretary of the Treasury says:

I believe that, under normal conditions in world trade, foreign trade zones such as provided for in the bill might aid materially in fostering a growth of the transshipment and reexport trade of ports advantageously situated to handle such trade. In principle, therefore, I believe the bill is meritorious, and I see no objection to its enactment.

The Secretary of Commerce, Daniel C. Roper, says:

The establishment of such foreign-trade zones is for the purpose of facilitating reexport and transshipment trade. It can hardly be expected that the potential volume of such trade will approach the extensive operations of Hamburg and certain other so-called "free ports" of Europe. However, if such ports are properly located with regard to existing and potential currents of trade, they should not only aid in the expansion of our export and transshipment trade, but be of some assistance to our merchant marine. The proposal does not introduce anything essentially new into our law. In fact, this is little more than the minimizing of the official limitations and costs involved in the formalities of entry into bonded warehouse and drawback now provided in the American tariff law.

I sincerely trust that this bill will receive your favorable consideration. I for one am heartily in favor of it and will support it.

Mr. PRALL. Mr. Chairman, I move to strike out the last two words. I should like to call the attention of the House to the fact that this bill was introduced by the gentleman from New York [Mr. Celler]. I understand that through a misunderstanding Mr. Celler is not here today. I know he was heartily in favor of the bill. I know that he appeared before the subcommittee many times in its favor. I know that if he were here, he would be in the well fighting for its passage.

The CHAIRMAN. Under the rule the Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. JOHNSON of West Virginia, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill (H.R. 9322) to provide for the establishment, operation, and maintenance of foreign-trade zones in

ports of entry of the United States, to expedite and encourage foreign commerce, and for other purposes, and that, pursuant to House Resolution 381, he reported the same back to the House with sundry amendments adopted in the Committee of the Whole.

The SPEAKER. The previous question is ordered under the rule.

Mr. McFADDEN. Mr. Speaker, I make the point of order that a quorum is not present.

Mr. BYRNS. I hope the gentleman will withhold the point of order, for we have an agreement that we shall not have a roll call on the bill until tomorrow.

Mr. McFADDEN. Mr. Speaker, if that is the understanding, I withdraw the point of order.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time and was read the third time.

Mr. BYRNS. Mr. Speaker, I understand a number of Members desire to submit unanimous-consent requests. In accordance with an understanding, it is my purpose to move to adjourn as soon as these requests are submitted so that the roll call on the bill will come tomorrow.

PERMISSION TO ADDRESS THE HOUSE

Mr. COOPER of Tennessee. Mr. Speaker, I ask unanimous consent that I may be permitted to address the House for 10 minutes tomorrow immediately following the gentleman from Massachusetts.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. McFADDEN. Mr. Speaker, I ask unanimous consent that I may be permitted to address the House for 10 minutes tomorrow immediately following the gentleman from Tennessee.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

MY WORK IN CONGRESS

Mr. McKEOWN. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record.

The SPEAKER. Is there objection?

There was no objection.

Mr. McKEOWN. Mr. Speaker, notwithstanding the criticism and sneers hurled at the administration by some, the fact remains that we are gradually coming out of the depression under the leadership of President Roosevelt. There is room for a great deal of dissatisfaction due to mistakes which are inevitable in the conduct of human affairs. But, sir, when we take the condition of the country in the early part of 1933 as compared with the situation in this year, 1934, every loyal and patriotic citizen must feel some real satisfaction in the results.

Since the convening of this Congress this House, with the cooperation of a very large number of the Republican faith, has passed all emergency legislation requested by the President and more permanent legislation for the benefit of the masses of the people than any legislative body within the memory of anyone here.

It thrills me with pride to look over the record of accomplishments, a few of which I desire to call to the attention of the country.

When we convened this Congress every bank in this country was closed—when had such a condition faced a President and a Congress in this country? Never within our existence as a Nation.

Agriculture was the first industry to receive attention. We immediately passed the agricultural relief measure, under which millions of dollars have been paid to struggling farmers throughout the whole country. Following up this act we passed the farm-mortgage relief bill. We then gave our attention to that great menace and evil, war; we passed an act to prohibit the exportation of arms and munitions of war.

We proceeded to pass an act creating a Federal relief administrator.

Then came the passage of Muscle Shoals and the Tennessee Valley Authority Acts.

The loss of homes of our people was considered and we passed the bill for the relief of the home-mortgage indebtedness.

We then concurred in Senate amendments to these relief measures providing for currency issuance and regulation.

We found the life-insurance policies of our citizens imperiled and their savings of a lifetime for the benefit of their widows and children threatened and we passed a measure permitting the Reconstruction Finance Corporation to make loans to save the situation.

We then passed the National Recovery Act. This, in my humble judgment, is the greatest instrument ever devised by the mind of man to bring about a revolution against greed and avarice in any country. It cannot be expected to work perfectly because it is an entirely new machine thrust into the social and industrial life of a great and intelligent people. It has to be used, tried, and the rough parts of the machinery smoothed up to run true. The machine must be used for the helpful purposes for which it was designed, and not as an instrument of destruction. It is designed as a destroyer of greed and a distributor of profits fairly to those who produce these profits.

Much, of late, has been said in the papers and magazines about the "brain trust." Well, Mr. Speaker, it takes brains to properly handle the situation at the present time and, for my part, I prefer that the destiny of my country be guided by a "brain trust" rather than by "trusts" without either brains or conscience.

The pitiful state of our citizens out of employment was a real challenge to the administration and to this House, but, Mr. Speaker, we met that challenge in part by the enactment of the great public works bill, and we are meeting that challenge at this session by additions to this act. Every citizen who needs employment should be given a job until industry can absorb the unemployed. As between employment or a dole, our citizens prefer employment. But life must be sustained until employment is obtained.

Mr. Speaker, now is the time to inaugurate a pension for the helpless, aged, and injured people of this country. They have lived thus far a miserable existence upon the charity of their neighbors and kindred who are not able longer to carry the burden. More work and less dole for the able-bodied is a sound policy.

Mr. Speaker, although the House in the early days of this session passed the Economy Act, affecting the compensation and pension of our citizens who had marched in the columns of the defenders of our country, a measure to which I could not and did not give my consent and against which I voted, yet this House, upon disclosure of the injustices worked upon our soldiers, modified the act in some respects, with the approval of the President, before the first session adjourned.

To safeguard the interests of the people who deposit their money in banks we have created a Federal Deposit Insurance Corporation, guaranteeing deposits to the amount of \$2,500 for any one depositor. Bank failures have ceased within the year.

This present session of Congress has unceasingly labored to provide measures for the continued return of prosperity. Lack of time precludes me from giving in detail the many accomplishments.

Mr. Speaker, many of us differed in judgment upon the question of the appropriation for the relief of the soldiers, and this difference in opinion resulted in the overriding of the veto of the President. Much ado was made and criticism of our action in that regard was had. I, for one, am not in accord with the claim that it is for the best interests of the country to put the burden of caring for disabled and sick ex-service men upon the local communities at this critical time when every community is taxed to the limit and more to care for their own distress. I, for one, have followed our great leader, the President, in the making and sustaining of his efforts for real recovery, and yielded to his judgment, but

upon legislation for the ex-service men I have some notions of my own. I, for one, am of the opinion that more money in circulation would be a good thing for all our people in every walk of life. I, therefore, supported the act to grant power to the President to value the gold content of the dollar and the Dies silver bill.

It was this conviction that caused me to work and vote for the payment of the soldiers' bonus, together with the conviction that it should have been paid long ago—and I am still for the bonus payment for the benefit of ex-service men and put thousands of dollars of new money in circulation in the Fourth Congressional District, where it is needed.

Mr. Speaker, I have already taken more time than I anticipated. There are some who criticize Congress because of mistakes made by those who are appointed agents of the Government to carry out the intention of Congress. This misconstruction placed upon the purpose of Congress by certain officials whose duty it is to administer is no new thing. It is sometimes done purposely by those in authority not in sympathy with the legislation, but often it occurs from sheer lack of study. In my judgment, only those in sympathy with a legislative measure should be chosen to administer the same.

Furthermore, Mr. Speaker, all the agents of the Government ought to be made to realize that they are the employees of the great mass of American taxpayers, and where they are rude in their contact with the public they should be fired.

There is some unrest resulting from injustices occurring here and there, but a deal of the criticism leveled at Congress comes from some ambitious souls who, while promising great redress of wrongs and proclaiming great patriotism on their part, have an eye out for their own selection to the place held by some hard-working Congressman.

It is unnecessary and out of place for me to speak of my part in what takes place in this House. Every Member is fairly well acquainted with that.

Some persons never praise any meritorious act of the Congressman but are content to stir up the feelings of the people against the person in, to make room, not for someone more capable but to make room for themselves.

They present no record of accomplishments in their private career that attracts the attention of their fellow citizens out of their community, but put in a great part of their time asking the old threadbare question, "What has he done in Washington?"

Mr. Speaker, the American people will not be misled by such fallacies. The people everywhere realize the gigantic task before those elected to Congress to return this country to prosperity. It is a laudable ambition for any man to aspire to a seat in this House, but in this crisis the public welfare should be uppermost in the minds of our people.

The selection of a Representative in this House is the duty of all the people of a district and not the duty of a few politicians. As to my services here, I am content to let my record speak for itself. Modesty and lack of time prevent me from giving an extended list.

At the outbreak of the war I introduced the bill regulating the sale of explosives in this country and it was promptly enacted.

It was my bill to grant soldiers 1 cent railroad fare while on furlough that resulted in that going into effect.

I also introduced a bill to grant a \$60 bonus upon discharge to soldiers, sailors, and marines.

I introduced bills to grant seed and feed loans to farmers in drought-stricken areas.

I introduced the first allotment bill for agricultural relief.

I introduced and passed the Debtors Relief Act.

I secured a Federal fish hatchery in the fourth district.

I introduced one of the first bonus bills.

I secured an appropriation of \$364,000 to pay the absentee Shawnees a debt owed them by the United States for 60 years.

I secured an Indian hospital near Shawnee.

I secured public buildings at Ada and Sapulpa and authorization to build Federal buildings at Bristow, Drumright, Okemah, Wewoka, Holdenville, and an addition to the post-office building at Shawnee.

These are a few instances in which I have done something for the fourth district.

I have performed the duties required of a faithful Representative and kept the faith of the people whom I represent.

When they ask what have I done, I can point with satisfaction to this record for which no friend of mine need apologize.

MILITARY DEFENSE OF ALASKA

Mr. DIMOND. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. DIMOND. Mr. Speaker, under the leave given to extend my remarks, I desire again to call the attention of the House to what I consider the vital necessity of undertaking without delay some military defensive works for Alaska, including, of course and principally, air defense.

The newspapers of May 24 carry news articles concerning a statement said to have been made by the Secretary of the Navy, in which Secretary Swanson is quoted as having said that in the event Japan builds warships in excess of its London Treaty allowance, the need of additional American bases in the Pacific coast region would be considered.

In this connection it is well to remember that the Washington and London treaties do not limit, and do not attempt to limit, the United States with respect to installing defensive works and stationing defensive forces in the main body of continental United States or Alaska. It is true that in the Washington Treaty the United States agrees, substantially, not to fortify, among other places, the Aleutian Islands, which extend out from the main body of Alaska a distance of some 600 miles toward the Japanese Archipelago.

It would serve no useful purpose at this time to discuss the wisdom of this provision of the Washington Treaty in thus limiting the rights of the United States with respect to its own territory. But I cannot forbear observing that if any such limitation had been suggested to Japan with respect to the Japanese Archipelago we would have been met with the assertion that any such limitation upon the Japanese would have run counter to their national security and honor. But the Washington Treaty was ratified and so we may as well pass by at this time that provision of the treaty.

Not for Alaska only, but for the proper defense of the Nation, I again urge that proper defensive measures be taken for the Territory of Alaska, and those measures can only be taken by stationing in Alaska a substantial air and military force. We all agree that in doing this there is no element of aggression or of an aggressive spirit. If there is one nation in the world at the present time that does not wish expansion of its territory at the expense of its neighbors—or at all—that Nation is the United States.

We do not seek any further power or any territorial aggrandizement under the deceptive phrase that we desire a place in the sun. We merely wish to live our own lives in our own way and to be safe from aggression of those nations which are seeking to expand their boundaries no matter what may be the cost to the welfare and the peace of the world. Our intentions are best shown by the passage of the Tydings-McDuffie bill designed to grant ultimate freedom to the people of the Philippines without any reservations that can be in the slightest degree for our benefit either militarily or economically. In this connection it may be well to consider whether the objections of any foreign nation to proper defensive measures for our own territory are not based upon a spirit of conquest.

I assume that the policy of the Government and of the people of the United States is not one of "scuttle." I suppose that a weak nation might conceivably yield some of its possessions, like the Territory of Alaska, extremely valuable in many natural resources, to a foreign nation that was bound on conquest and on expansion, but if this policy is

once adopted, why then, I suppose, at the price of peace, the same pusillanimous view would lead to the yielding of Hawaii and ultimately of the Pacific coast of the United States.

The alternative policy and the one which is supported by the sentiments of patriotism and manhood, as well as of justice and honor, ought to impel the people of the United States to take proper and adequate defensive measures for all of our possessions which do not wish to be erected as independent nations.

As I have pointed out before to the House, the possession of Alaska by any foreign country would be a constant and ever-present threat to the integrity of the continental United States. Leaving out of consideration what is commonly known as southeastern Alaska, a narrow strip of land embracing many islands extending along the west boundary of Canada, we find that the main body of Alaska is only 1,400 miles in a direct line from the northern part of the Pacific coast of the United States, whereas Hawaii is approximately 2,200 miles distant from the Pacific coast of the United States. The members of this House may not know that Prince William Sound, Alaska, which, as I have said, is only about 1,400 miles from the northern part of the Pacific coast of the United States, contains many harbors such as Valdez, Cordova, Seward, Fidalgo Bay, and others that would form admirable bases for the largest fleets of the world and sufficient in size and contour to accommodate such fleets safely.

While it may be impractical to fortify all of the 35,000 miles of the coast line of Alaska, it is at least practical to station in Alaska the comparatively small defensive force, principally an air force, that would render the seizure and occupation of any part of Alaska by any hostile nation very difficult indeed. No foreign nation would have the right to object to the installation of any such defensive measures, and, the fact, if it be a fact, that any foreign nation does object to it is the best proof which can be offered of the aggressive intentions and the spirit of conquest which animates such a foreign nation.

It is well to remember in connection with the matter discussed that so far as national defense is concerned, we have been in many cases eternally too late and we have sacrificed many lives and billions of dollars because we did not make in time adequate provisions for our defense. The thing that I urge upon the Congress now is that these defensive measures be undertaken so as to save lives and treasure in the future.

Sensible people will realize that it is folly to depend upon the charity and good nature and the self-control and the unselfishness of all of the people of the world who are in a position to attack us. We have not yet arrived at that beatific state where everybody is good and virtuous. We must know, if we look about us, that there are nations, just as there are individuals, who are outlaws and who shoot first and talk about it afterward; nations that do not take the trouble to declare war until they have inflicted the greatest possible injury on the enemy. If we are the victims of any such acts we have only ourselves to blame. Alaska has been too long overlooked in the scheme of national defense. It is time to act now.

May I direct your attention here to the provisions of H.R. 9524 and the measure of defensive protection that the passage of this bill would afford to the citizens of the United States generally and also to those citizens of our Nation who reside in the Territory of Alaska.

However, my principal object in introducing H.R. 9524 was not so much to have a defensive force in the Territory of Alaska as to give to the Army pilots needed training in flying in that region and thus enable them to become acquainted with the terrain and also to give them practice that is bound to be very valuable in flying ships of all types in subarctic temperatures to be encountered in all northern latitudes in the wintertime.

It is obvious, of course, that wars in modern times are not fought only in the summer and in fine weather. The Army pilots, whom I believe to be equal to any in the world,

are unhappily deficient in actual flying practice in cold and stormy weather. This is something that cannot be learned from books, and the men must have actual experience in order to take care of themselves and their equipment and to reach their objectives. The commercial pilots in Alaska have had this experience, but they could not have acquired their present information in any other way. With an Army training and defense base in Alaska, an opportunity will be given to a very large proportion, if not all, of the military pilots to obtain this valuable experience in Alaska. Moreover, it is obvious, in the event Alaska is a theater of war, that the actual experience with the topography of the country to be gained by pilots who fly in Alaska is bound to be of the highest military value.

It is not impossible that if an air unit is stationed in Alaska the pilots will be able to devise protective safeguards whereby they will be enabled to fly in all sorts of weather without hazard. Surely it is plain that the military pilots should have the experience of flying all types of ships under all sorts of conditions. A part of this experience can be gained by them in United States territory only in Alaska.

FREE WHITE HAIR AND WRINKLED BROWS FROM DREAD AND ANXIETY BY OLD-AGE SECURITY LEGISLATION

Mr. YOUNG. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record.

The SPEAKER. Is there objection?

There was no objection.

Mr. YOUNG. Mr. Speaker, the question of old-age security is receiving much consideration in the Congress. Also passage of the Wagner-Lewis unemployment insurance bill has been vigorously urged by its advocates.

I served as a member of the Ohio commission on unemployment insurance, signing the report recommending unemployment insurance for my State. In fact, I helped draft the unemployment insurance measure introduced in the General Assembly of Ohio. I greatly regret that important social legislation of this character may be shelved to clear the way for an early adjournment of the Congress. The Democratic national platform of 1932 stated "we advocate unemployment and old-age insurance under State authority."

My purpose today, Mr. Speaker, is to address the House upon old-age security. On a future occasion, when the Wagner-Lewis bill is before us for debate and vote, I shall express my views in support of that measure.

The House Committee on Labor is considering a national system of old-age pensions. Present poor-relief systems for the indigent aged are inadequate. In addition, they are costly and give no assurance of security. China and India are about the only nations which do not have old-age-security laws. No problem before us is of greater importance than that of freeing white hair and wrinkled brows from care and anxiety.

About 350 years ago while Elizabeth was Queen, somebody thought of the poorhouse. Since then we have found better ways of doing everything. We have exchanged the quill pen for the fountain pen and printing press; the candle for the electric light; the horse for the railroad, automobile, and airplane. Stage coaches, tallow dips, flintlock muskets are gone never to return. Nevertheless, we still tolerate the poorhouse. We care for our needy aged by methods in vogue in 1588.

After 4 years of depression this problem is particularly acute. Savings of thousands of aged people have been wiped out despite the fact that they providently and thriftily saved for their future. They are destitute. Their sons and daughters, lacking jobs in many instances, cannot help. Younger people and the middle aged may never be able to accumulate sufficient for their own old age, certainly they are not able to provide adequately for their aged and infirm parents. This depression, like war, leaves its toll for future generations to pay. The question is shall we provide for our aged extravagantly and cruelly, in poorhouses; or humanely, economically, and scientifically, by old-age pensions?

I am proud to represent the people of Ohio and hope my constituents will retain me for a second term as their Con-

gressman by a vote of confidence this November. Last November the citizens of my State by an overwhelming vote, in fact by a majority of nearly 3 to 1, adopted old-age pensions for Ohio. This was the largest majority ever accorded an issue voted on in Ohio.

We provide that the needy individual, aged 65, or older, who has been for some years a resident of Ohio, shall receive \$25 per month as long as he, or she, lives. No individual with an income equal or greater than this can receive an old-age pension, nor is such pension payable if the individual draws compensation or pay for work in competition with others, nor if the individual has deprived himself or herself of property in order to qualify for benefits under this law.

Old-age pensions provide an open road for happiness and contentment for men and women who have, through no fault of their own, beheld the savings of a lifetime swept away as a result of ill-founded trust and abiding faith in big city bankers, in manipulated insurance companies, in exploiting building-and-loan associations, or have been swindled in any manner through the connivance of others, or who have by reason of economic conditions, been unable to lay aside sufficient for the rainy day that awaits us all. Local communities now overburdened, relatives now overtaxed, caring for the less fortunate, and county poorhouses, will be displaced. A new era is at hand. The aged and infirm will face security and contentment instead of uncertainty, humiliation, and misery.

We should establish in the Nation old-age security for every needy person of 65 years or older. Legislatures in 27 States, including New York and California, have enacted this beneficent legislation. In Ohio and other States, old-age security acts have been adopted by direct mandate of the people. Ours is the only civilized country in the world that does not have a national old-age pension law. The cost of four battleships will pension every needy old person in all our 48 States.

The average State pension approximates \$22.50 per month. The average cost of maintaining inmates in poorhouses is \$40 a month. Justice and ordinary business prudence call for old-age security legislation.

The need for old-age security legislation is brought about by the congestion and intensity of modern industrial processes. Either aged people, in honorable poverty, must be supported by private charity or by the State. I favor old-age security legislation because it is the duty of the Government and also because the reliance upon private charity is an unequal and insecure dependence for men and women who have earned the right to live their few remaining years in modest independence, and enjoy a little repose.

The hope we all cherish is an old age free from care and want. To that end people toil patiently and live closely, seeking to save something for the day when they can earn no more. And yet the same fate awaits the majority. In the life of the worker there are weeks, often months, of enforced idleness, weeks of unavoidable sickness, losses from swindling, and then, as age creeps on, there is a constantly declining capacity to earn, until at 65, many find themselves destitute. There is no more pitiful tragedy than the lot of the worker who has struggled all his life to gain a competence and who, at 65, faces the poorhouse. The black slave knew no such tragedy as this. It is a tragedy reserved for the free worker in the greatest nation on earth.

There is nothing radical about the old-age-pension idea, though, personally, I do not fear being termed a "radical." The word "radical" is derived from the Latin word meaning root. We ought to go to the roots of our social and economic troubles. As a matter of fact, payment of old-age pensions by the State or National Government involves no new policy nor any innovation of principle. In 1913, as a member of the General Assembly of Ohio, I participated in the enactment of Ohio's first mothers' pension law. Before that time the State had dealt in haphazard fashion with children of destitute widows. Children were sent to children's homes and the mother to work. This blighted the lives of children and brought misery to the mother. In-

stead of cruel separations of mothers and children, we now have the enlightened system of mothers' pensions, which provides for regular payments to mothers to take care of their children. The family is kept together. Furthermore, the cost to the State is less. No State that has adopted mothers' pensions has returned to the old inhuman methods. I urge the same principle for the needy aged who, after a lifetime of industry, effort, and struggle, at 65 become in need of assistance from the Government or from public or private charities. It is time to free white hair and wrinkled brows from dread and anxiety. Instead of sending them "over the hill to the poorhouse", the Government should lend a helping hand in a scientific and adequate manner to our deserving and needy aged as they go down the sunset side of life.

Mr. Speaker, private charities, bread lines, and soup kitchens must not be the only answers of American intelligence and sense of justice to the problem of unemployment and indigent old age. Out of the hardships of this depression, when millions of people sought work which they could not find, let us hope that a better future may come for aged men and women whose condition is desperate even in the best of times, and through no fault of their own.

SENATE JOINT RESOLUTION 36

Mr. MEAD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on Senate Resolution 36 and to include a copy of the resolution.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MEAD. Mr. Speaker, I wish to draw attention to Senate Joint Resolution 36, honoring Gen. Casimir Pulaski, which has recently been signed by the President. A copy of the resolution follows:

Senate Joint Resolution 36

Authorizing the President of the United States of America to proclaim October 11, 1934, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski

Whereas the 11th day of October 1779, is the date in American history of the heroic death of Brig. Gen. Casimir Pulaski, who died from wounds received on October 9, 1779, at the siege of Savannah, Ga.; and

Whereas the States of West Virginia, New Jersey, Massachusetts, Kentucky, Illinois, Michigan, Tennessee, Indiana, Wisconsin, New York, Nebraska, Texas, Minnesota, Delaware, Maryland, Arkansas, New Hampshire, Pennsylvania, Missouri, Ohio, and other States of the Union, through legislative enactment designated October 11 of each year as General Pulaski's Memorial Day; and

Whereas the Congress of the United States of America has by legislative enactment designated October 11, 1929, and October 11, 1931, to be General Pulaski's Memorial Day; and

Whereas it is fitting that the recurring anniversary of this day be commemorated with suitable patriotic and public exercises in observing and commemorating the death of this great American hero of the Revolutionary War: Therefore be it

Resolved, etc., That the President of the United States is authorized to issue a proclamation calling upon officials of the Government to display the flag of the United States on all governmental buildings on October 11, 1934, and inviting the people of the United States to observe the day in schools and churches, or other suitable places, with appropriate ceremonies of the death of Gen. Casimir Pulaski.

The Congress of the United States, in recognition of the valiant services of the great Polish Revolutionary War hero, Gen. Casimir Pulaski, has passed this joint resolution in commemoration of his death. It is a fitting and proper tribute to one of America's early patriots.

The resolution, passed unanimously, authorizes the President to declare October 11, 1934, as a select day in memory of General Pulaski. The President will issue a formal proclamation, which will be broadcast by radio and newspaper to every remote corner of our Nation, announcing the occasion. On October 11, next, our Federal establishments, public buildings, schools, and homes throughout the Republic will proudly display the country's flag in reverent respect to a man who fought so ably and courageously that the dreams of a new Government might be realized.

Throughout the United States on October 11, patriotic demonstrations and appropriate ceremonies will be enacted. The name of General Pulaski, now hailed by historians as an

outstanding martyr in the cause of American independence, will reverberate from coast to coast and the inspiring story of his military heroism and strategy will be told in the schoolrooms of America. This day, in remembrance of the youthful General Pulaski's tragic death in the service of our Nation, marks a holiday on which every loyal American citizen should pause a moment to pay tribute to his memory.

Casimir Pulaski was born in Podolia, Poland, on March 4, 1748. Early in life he became interested in military affairs and served as a soldier before he was 20. Like his father, who won fame fighting for the redemption of Poland, young Pulaski's reputation as a brave and intrepid fighter spread throughout Europe.

Through an unusual coincidence, in 1776, he met Benjamin Franklin in Paris, and although Franklin was an old man, their mutual ideals and philosophies drew them together.

Pulaski was fired with the story of the stubborn struggle of the American Colonies for independence, and in March 1777 he came to this country and immediately joined General Washington's staff. From that day on the colorful, dashing young Pole became a commanding figure in the war for liberty and self-government. A romantic, adventurous, and fearless cavalryman, time after time he led his troops to victory.

His enthusiasm and loyalty to the American cause was an inspiration to his men, and through his meritorious efforts and brilliant strategy he won the undying friendship of George Washington. As a result of his services in the Battle of Brandywine, Congress commissioned him a brigadier general, upon General Washington's recommendation.

Every history textbook contains an account of the stirring deeds of Pulaski's legion, which was a corps of light infantry under General Pulaski's command.

On October 9, 1779, Pulaski stormed the city of Savannah, Ga., where he had driven the British after several days' hot pursuit. Riding bravely at the head of his famous cavalry, he was mortally wounded but stayed in the thick of the battle until the conflict was over. He was removed from the battlefield and placed on board the brig *Wasp* for transfer to Charleston. However, the ship was delayed by adverse winds, and the noble Pulaski died at sea, where he was buried with simple ceremonies. His distinguished career was ended at 31.

The patriotic character and loyal devotion of this youthful Polish military genius deserves to become forever enshrined in American hearts, and the action of Congress and President Roosevelt in setting aside October 11 in his honor is commendable. America will pay him due homage.

REVISION OF AIR-MAIL LAWS

Mr. MEAD. Mr. Speaker, I call up the conference report on the bill (S. 3170) to revise air-mail laws.

Mr. SNELL. Mr. Speaker, I hope the gentleman will let this conference report go over until tomorrow, for it is now a quarter of 6.

Mr. MEAD. I may say to the gentleman from New York that I have discussed the conference report with the gentleman from Pennsylvania [Mr. KELLY]. I do not think it will take over 5 minutes to dispose of the conference report.

Mr. KELLY of Pennsylvania. Mr. Speaker, I should like to be heard a few minutes to discuss the conference report.

Mr. SNELL. I would remind the gentleman that it is getting late. A point of no quorum was withdrawn with the understanding that no further business would be transacted this evening other than the submission of unanimous-consent requests.

Mr. MEAD. I may say to the gentleman from New York that I will not take any time on the conference report myself. The gentleman from Pennsylvania [Mr. KELLY] will probably want to make an explanation of the report.

Mr. SNELL. I think we ought to have an explanation of the conference report.

Mr. MEAD. The conferees are practically in agreement.

Mr. SNELL. I would say they are very far from agreement, for none of the minority conferees have signed the report; is not this true?

Mr. MEAD. That is true on the part of the House committee, but I should like to have the matter disposed of tonight so we can get the bill back to the Senate. It will not take over 5 minutes.

Mr. SNELL. I do not want to object, but I think it is too late to bring up a conference report. I wish the gentleman would let it go over until tomorrow, although I understand, of course, that this is a privileged matter.

Mr. MEAD. I shall be very glad to yield under the circumstances; there is nothing else to do.

CHILD-LABOR AMENDMENT

The SPEAKER laid before the House a letter from Richard J. Beamish, secretary of the Commonwealth of Pennsylvania, forwarding certificate of the proposed amendment to the Constitution of the United States relative to the labor of persons under 18 years of age.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted as follows:

To Mr. WEAVER, indefinitely, on account of important business.

To Mr. Sisson, for today and tomorrow, on account of important business.

To Mr. MUSSELWHITE, for May 29, 30, and 31, on account of business at home.

To Mr. KVALE, for today, on account of illness.

To Mr. KENNEY, for 3 days, on account of important business.

To Mr. ADAMS, for today, on account of important business.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on the following dates present to the President, for his approval, bills and joint resolutions of the House of the following titles:

On May 25, 1934:

H.R. 9530. An act granting consent of Congress to the county of Pierce, a legal subdivision of the State of Washington, to construct, maintain, and operate a toll bridge across Puget Sound, State of Washington, at or near a point commonly known as "The Narrows";

H.J.Res. 345. Joint resolution to provide funds to enable the Secretary of Agriculture to carry out the purposes of the acts approved April 21, 1934, and April 7, 1934, relating, respectively, to cotton and to cattle and dairy products, and for other purposes.

On May 28, 1934:

H.R. 2837. An act to provide for the establishment of the Everglades National Park in the State of Florida, and for other purposes;

H.R. 6803. An act to regulate the distribution, promotion, retirement, and discharge of commissioned officers of the Marine Corps, and for other purposes; and

H.R. 9068. An act to provide for promotion by selection in the line of the Navy in the grades of lieutenant commander and lieutenant; to authorize appointment as ensigns in the line of the Navy all midshipmen who hereafter graduate from the Naval Academy; and for other purposes;

H.J.Res. 347. Joint resolution to prohibit the sale of arms or munitions of war in the United States under certain conditions.

ORDER OF BUSINESS

Mr. BYRNS. Mr. Speaker, I understand the previous question has been ordered on the free-trade zone bill to final passage, and that the vote on the bill will be the first order of business tomorrow.

The SPEAKER. Yes.

ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 49 minutes p.m.) the House adjourned until tomorrow, Tuesday, May 29, 1934, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

488. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated May 25, 1934, submitting a report, together with accompanying papers, on a preliminary examination of Steele Bayou, Miss., authorized by the River and Harbor Act approved July 3, 1930; to the Committee on Rivers and Harbors.

489. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated May 25, 1934, submitting a report, together with accompanying papers, on a preliminary examination of Russell Creek, S.C., authorized by the River and Harbor Act approved July 3, 1930; to the Committee on Rivers and Harbors.

490. A letter from the Secretary of the Treasury, transmitting a draft of a bill, to place officers and men of the Coast Guard on the same basis as officers and men of the Navy, with respect to Medals of Honor, Distinguished-Service Medals, and Navy Crosses; to the Committee on Interstate and Foreign Commerce.

491. A letter from the Chairman, Federal Deposit Insurance Corporation, transmitting, in accordance with the provisions of section 12B of the Banking Act of 1933, the report of operations of the Federal Deposit Insurance Corporation for the period ending March 31, 1934 (H.Doc. 389); to the Committee on Banking and Currency.

492. A letter from the Secretary of War, transmitting a proposed draft of a bill to amend section 602½ (a) of the Revenue Act of 1934, relative to the imposition of a tax on Philippine coconut oil; to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. KELLER: Committee on the Library. H.R. 9003. A bill to purchase and erect in the city of Washington the group of statutory known as the "Indian Buffalo Hunt"; without amendment (Rept. No. 1775). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. House Joint Resolution 316. A joint resolution authorizing the erection of a memorial to J. J. Jusserand; without amendment (Rept. No. 1776). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. H.R. 8055. A bill to provide monuments to mark the birthplaces of deceased Presidents of the United States; with amendment (Rept. No. 1777). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. Senate Joint Resolution 100. A joint resolution authorizing suitable memorials in honor of James Wilson and Seaman A. Knapp; without amendment (Rept. No. 1778). Referred to the Committee of the Whole House on the state of the Union.

Mr. DOXEY: Committee on Agriculture. H.R. 8389. A bill to amend section 36 of the Emergency Farm Mortgage Act of 1933 and amendments thereto; without amendment (Rept. No. 1779). Referred to the Committee of the Whole House on the state of the Union.

Mr. DOUGHTON: Committee on Ways and Means. H.R. 9741. A bill to provide for the taxation of manufacturers, importers, and dealers in certain firearms and machine guns, to tax the sale or other disposal of such weapons, and to restrict importation and regulate interstate transportation thereof; without amendment (Rept. No. 1780). Referred to the Committee of the Whole House on the state of the Union.

Mr. BANKHEAD: Committee on Rules. House Resolution 397. A resolution for the consideration of H.R. 9178, a bill to regulate the business of life insurance in the District of Columbia; without amendment (Rept. No. 1781). Referred to the House Calendar.

Mr. BANKHEAD: Committee on Rules. House Resolution 398. A resolution for the consideration of House Joint Resolution 271, a joint resolution providing for an annual appropriation to meet the quota of the United States toward the expenses of the International Technical Committee of Aerial Legal Experts; without amendment (Rept. No. 1782). Referred to the House Calendar.

Mr. DRIVER: Committee on Rules. House Resolution 392. A resolution providing for the consideration of H.R. 9391; without amendment (Rept. No. 1783). Referred to the House Calendar.

Mr. BIERMANN: Committee on Agriculture. H.R. 9646. A bill to authorize the acquisition of additional land for the Upper Mississippi River Wild Life and Fish Refuge; with amendment (Rept. No. 1785). Referred to the Committee of the Whole House on the state of the Union.

Mr. WEIDEMAN: Committee on Immigration and Naturalization. H.R. 6912. A bill to amend the act entitled "An act to admit to the United States, and to extend naturalization privileges to, alien veterans of the World War", approved May 26, 1926; with amendment (Rept. No. 1786). Referred to the House Calendar.

Mr. WEARIN: Committee on the Public Lands. H.R. 7834. A bill to provide for conveying to the State of Iowa certain lands within the nonnavigable meandering lake beds within that State for use as public parks, recreation grounds, and game refuges; without amendment (Rept. No. 1788). Referred to the Committee of the Whole House on the state of the Union.

Mr. ENGLEBRIGHT: Committee on the Public Lands. H.R. 8683. A bill to provide for the selection of certain lands in the State of California for the use of the California State park system; without amendment (Rept. No. 1789). Referred to the Committee of the Whole House on the state of the Union.

Mr. ENGLEBRIGHT: Committee on the Public Lands. H.R. 8684. A bill to provide for the selection of certain lands in the State of California for the use of the California State park system; without amendment (Rept. No. 1790). Referred to the Committee of the Whole House on the state of the Union.

Mr. CHAVEZ: Committee on the Public Lands. H.R. 9619. A bill to authorize the disposal of surplus personal property, including buildings, of the Emergency Conservation Work; without amendment (Rept. No. 1791). Referred to the Committee of the Whole House on the state of the Union.

Mr. CHAVEZ: Committee on the Public Lands. House Joint Resolution 349. A joint resolution designating or naming a certain mountain in the State of Tennessee "Mount Roosevelt", and for other purposes; with amendment (Rept. No. 1792). Referred to the House Calendar.

Mr. FULMER: Committee on Agriculture. H.R. 7663. A bill to authorize payment of farm-loan mortgages with bonds issued by joint-stock land banks, and for other purposes; without amendment (Rept. No. 1793). Referred to the Committee of the Whole House on the state of the Union.

Mr. BUCK: Committee on Agriculture. H.R. 9702. A bill authorizing the adjustment of existing contracts for the sale of timber on the national forests, and for other purposes; without amendment (Rept. No. 1794). Referred to the Committee of the Whole House on the state of the Union.

Mr. BUCK: Committee on Agriculture. S. 1138. An act authorizing transfer of an unused portion of the United State Range Livestock Experiment Station, Mont., to the State of Montana for use as a fish-cultural station, game reserve, and public recreation ground, and for other purposes; without amendment (Rept. No. 1795). Referred to the Committee of the Whole House on the state of the Union.

Mr. AYERS of Montana: Committee on the Public Lands. S. 1825. An act authorizing the Secretary of the Interior to issue patents to the numbered school sections in place, granted to the States by the act approved February 22,

1889, by the act approved January 25, 1927 (44 Stat. 1026), and by any other act of Congress; with amendment (Rept. No. 1796). Referred to the Committee of the Whole House on the state of the Union.

Mr. MOTT: Committee on the Public Lands. S. 2924. An act to include within the Deschutes National Forest, in the State of Oregon, certain public lands within the exchange boundaries thereof; with amendment (Rept. No. 1797). Referred to the Committee of the Whole House on the state of the Union.

Mr. CHAVEZ: Committee on the Public Lands. S. 3443. An act to provide for the creation of the Pioneer National Monument in the State of Kentucky, and for other purposes; with amendment (Rept. No. 1798). Referred to the Committee of the Whole House on the state of the Union.

Mr. DOUGHTON: Committee on Ways and Means. H.R. 9745. A bill to authorize the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes; with amendment (Rept. No. 1801). Referred to the Committee of the Whole House on the state of the Union.

Mr. RAYBURN: Committee on Interstate and Foreign Commerce. H.R. 9654. A bill to authorize the Department of Commerce to make special statistical studies upon payment of the cost thereof, and for other purposes; without amendment (Rept. No. 1802). Referred to the Committee of the Whole House on the state of the Union.

Mr. ZIONCHECK: Committee on Naval Affairs. H.R. 9272. A bill to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes; with amendment (Rept. No. 1803). Referred to the Committee of the Whole House on the state of the Union.

Mr. HOWARD: Committee on Indian Affairs. H.R. 7902. A bill to grant to Indians living under Federal tutelage the freedom to organize for purposes of local self-government and economic enterprise, to provide for the necessary training of Indians in administrative and economic affairs, to conserve and develop Indian lands, and to promote the more effective administration of justice in matters affecting Indian tribes and communities by establishing a Federal Court of Indian Affairs; with amendment (Rept. No. 1804). Referred to the Committee of the Whole House on the state of the Union.

Mr. MUSSELWHITE: Committee on the Post Office and Post Roads. H.R. 8245. A bill to reduce the fee to accompany applications for entry as second-class matter of publications of limited circulation; with amendment (Rept. No. 1805). Referred to the Committee of the Whole House on the state of the Union.

Mr. JONES: Committee on Agriculture. Senate Joint Resolution 123. A joint resolution empowering certain agents authorized by the Secretary of Agriculture to administer oaths to applicants for tax-exemption certificates under the Cotton Act of 1934; without amendment (Rept. No. 1806). Referred to the House Calendar.

Mr. WOOD of Georgia: Committee on the Post Office and Post Roads. H.R. 7310. A bill to enable the Postmaster General to withhold commissions on false returns made by postmasters; with amendment (Rept. No. 1807). Referred to the Committee of the Whole House on the state of the Union.

Mr. SUMNERS of Texas: Committee on the Judiciary. House Joint Resolution 267. A joint resolution to authorize the several States to negotiate compacts or agreements to promote greater uniformity in the laws of such States affecting labor and industries; with amendment (Rept. No. 1808). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. DUNCAN: Committee on Military Affairs. H.R. 9750. A bill for the relief of Thaddeus C. Knight; without amendment (Rept. No. 1774). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on Claims. S. 1853. An act to authorize the Secretary of the Treasury to execute an agreement of indemnity to the First Granite National Bank, Augusta, Maine; without amendment (Rept. No. 1784). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on Claims. S. 1859. An act authorizing adjustment of the claim of the Rio Grande Southern Railroad Co.; without amendment (Rept. No. 1799). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 3280. An act to carry out the findings of the Court of Claims in the claim of the Morse Dry Dock & Repair Co.; without amendment (Rept. No. 1800). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the committee was discharged from the consideration of the following bill, which was referred as follows:

A bill (H.R. 9713) granting a pension to Paul Chick; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. LOZIER: A bill (H.R. 9767) to prohibit the Home Owners' Loan Corporation from charging fees with respect to loans applied for but not granted, and to provide for the refund of such fees already paid; to the Committee on Banking and Currency.

By Mr. GAMBRILL: A bill (H.R. 9768) to authorize appropriations for the creation of a public airport for national defense in or near Washington, D.C., and as a national shrine to pioneer aviators, and for other purposes; to the Committee on Military Affairs.

By Mr. CARTWRIGHT: A bill (H.R. 9769) to amend the act of June 19, 1930 (46 Stat. 788), entitled "An act providing for the sale of the remainder of the coal and asphalt deposits in the segregated mineral land in the Choctaw and Chickasaw Nations, Oklahoma, and for other purposes"; to the Committee on Indian Affairs.

By Mr. LOZIER: A bill (H.R. 9770) to authorize the Home Owners' Loan Corporation to make loans to churches and religious organizations on the security of dwellings occupied by religious officers; to the Committee on Banking and Currency.

By Mr. HILDEBRANDT: A bill (H.R. 9771) to stimulate competitive buying of swine, to provide for establishment of standards for grading swine, and for other purposes; to the Committee on Agriculture.

By Mr. LEA of California: A bill (H.R. 9772) to provide for the selection of certain islands, rocks, and pinnacles situated in the Pacific Ocean for the use of the California State park system; to the Committee on the Public Lands.

By Mr. MONAGHAN of Montana: A bill (H.R. 9773) to provide funds for cooperation with school district no. 23, Polson, Mont., in the improvement and extension of school buildings to be available to both Indian and white children; to the Committee on Indian Affairs.

By Mr. LOZIER: A bill (H.R. 9774) to prohibit the Farm Credit Administration and agencies subject to its control from charging fees with respect to loans to farmers applied for but not granted, and to provide for the refund of such fees already paid; to the Committee on Agriculture.

By Mr. EATON: A bill (H.R. 9775) to amend the provisions in the act approved March 3, 1931, governing the computation of commissioned service of Naval Academy graduates who have been retired for age or service ineligibility for promotion; to the Committee on Naval Affairs.

By Mr. HIGGINS: A bill (H.R. 9776) to require contractors on public-building projects to perform a part of the work on each contract themselves, to name their subcontractors, and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. BANKHEAD: Resolution (H.Res. 397) for the consideration of H.R. 9178, a bill to regulate the business of life insurance in the District of Columbia; to the Committee on Rules.

Also, resolution (H.Res. 398) for the consideration of House Joint Resolution 271, a joint resolution providing for an annual appropriation to meet the quota of the United States toward the expenses of the International Technical Committee of Aerial Legal Experts; to the Committee on Rules.

By Mr. FISH: Resolution (H.Res. 399) relative to famine in the Ukraine; to the Committee on Foreign Affairs.

By Mr. BLOOM: Joint resolution (H.J.Res. 357) for the participation of the United States in a universal and international exhibition at Brussels, Belgium, in 1935; to the Committee on Foreign Affairs.

By Mr. CANNON of Wisconsin: Joint resolution (H.J.Res. 358) limiting the number of the Members of the House of Representatives; to the Committee on the Census.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. EICHER: A bill (H.R. 9777) to extend the benefits of the Employees' Compensation Act of September 7, 1916, to James R. Kelly; to the Committee on Claims.

By Mr. GLOVER: A bill (H.R. 9778) granting a pension to James W. Morris; to the Committee on Pensions.

By Mr. LUDLOW: A bill (H.R. 9779) granting pensions to E. D. Howe, W. C. Harris, and Elwood Kirkwood; to the Committee on Pensions.

By Mr. MUSSELWHITE: A bill (H.R. 9780) for the relief of Myrton L. Genung; to the Committee on Claims.

By Mr. PARKS: A bill (H.R. 9781) to provide compensation for James Martin Wells for injuries received in citizens' military training camp; to the Committee on Military Affairs.

By Mr. REECE: A bill (H.R. 9782) granting a pension to Luther G. Martin; to the Committee on Pensions.

Also, a bill (H.R. 9783) granting a pension to Mildred K. Brown; to the Committee on Pensions.

By Mr. SABATH: A bill (H.R. 9784) for the relief of John Boska; to the Committee on Military Affairs.

By Mr. THURSTON: A bill (H.R. 9785) for the relief of Henry Steffen; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

4790. By Mr. BLOOM: Petition of the members of Nativity Council, No. 357, Knights of Columbus, in the city of New York, favoring the amendment to section 301 of Senate bill 2910, providing for the insurance of equity of opportunity for educational, religious, agricultural, labor, cooperative, and similar non-profit-making associations seeking licenses for radio broadcasting by incorporating into the statute a provision for the allotment to said non-profit-making associations of at least 25 percent of all radio facilities not employed in public use; to the Committee on Merchant Marine, Radio, and Fisheries.

4791. By Mr. FORD: Resolution signed by Dr. Harry T. Daily, of Los Angeles, as secretary of his district Democratic committee; Rev. P. Gustam Rodgers, pastor of the Wadsworth Seventh Day Adventist Church, representing his membership of 500, and sundry other citizens of the Fourteenth Congressional District of California, urging the passage of the Costigan-Wagner antilynching bill in the Senate and the companion Ford bill in the House; to the Committee on the Judiciary.

4792. By Mr. HIGGINS: Resolution of the Sons and Daughters of Liberty of Portland, Conn., protesting against any letting down of the present restrictions in regard to immigration; to the Committee on Immigration and Naturalization.

4793. By Mr. KRAMER: Resolution adopted by the Amalgamated Association of Street & Electric Railway Employees

of America, on May 22, 1934, requesting the passage of the Wagner-Connelly bill; to the Committee on Labor.

4794. Also, resolution adopted by the National Federation of Post Office Clerks on May 17, 1934, recommending that the sesquicentennial celebration of the death of Father Junipero Serra be held August 29, 1934, at Carmel Mission, Calif.; to the Committee on the Library.

4795. Also, resolution adopted by the Los Angeles County Farm Bureau on May 17, 1934, concerning certain communistic agitators of California who are doing all in their power to bring about strikes among agricultural laborers for the avowed purpose of breaking down property values, causing strife and hatred between employers and employees, and ultimately destroying our Government; to the Committee on Immigration and Naturalization.

4796. By Mr. LAMNECK: Petition of A. William Morrison and other citizens of Miami, Fla., approving an embargo against defaulting nations; to the Committee on Foreign Affairs.

4797. By Mr. LEHR: Petition of Oil and Gas Producers' Association of Michigan, representing more than 75 percent of the oil production within the State favoring the adoption of the Thomas Senate bill (S. 3495) providing that the Federal Government and State regulatory bodies coordinate their efforts to bring about protection against the return of the previous conditions; to the Committee on Interstate and Foreign Commerce.

4798. By Mr. LINDSAY: Petition of joint cooperative board, Brotherhood of Locomotive Firemen and Enginemen, Albany, N.Y., favoring the enactment of House bill 7430, the 6-hour day bill for railroad employees; to the Committee on Interstate and Foreign Commerce.

4799. Also, petition of the Brotherhood of Railroad Trainmen, legislative board, State of New York, Albany, urging support and passage of House bill 7430; to the Committee on Interstate and Foreign Commerce.

4800. Also, petition of American Federation of Labor, Washington, D.C., endorsing amendment to the Railway Labor Act (H.R. 9639); to the Committee on Interstate and Foreign Commerce.

4801. Also, petition of the Brotherhood of Railroad Trainmen, legislative board, State of New York, Albany, concerning Senate bill 3266; to the Committee on Labor.

4802. Also, petition of the Associated Coffee Industries of America, New York City, protesting against the extension of the compensating tax on jute products to jute bags imported as containers of coffee; to the Committee on Ways and Means.

4803. Also, petition of the Texas Bankers' Association, Tyler, Tex., favoring Federal assistance in cooperation with State authorities in enforcement of laws for oil industry; to the Committee on Interstate and Foreign Commerce.

4804. By Mr. McCORMACK: Petition of the City Council of the City of Woburn, Mass., urging early and favorable consideration of House Joint Resolution 329, introduced by Congressman McCORMACK, to rename the Veterans' Administration Facility, Bedford, Mass., the Reverend William J. Farrell Hospital; to the Committee on World War Veterans' Legislation.

4805. By Mr. MALONEY of Connecticut: Petition of the Sons and Daughters of Liberty, State Council of Connecticut, representing Sons and Daughters of Liberty, an organization composed of upward of 100,000 native-born American men and women, to defeat the efforts being made by political leaders and exploiters of labor to defeat the spirit of restricted immigration, etc.; to the Committee on Immigration and Naturalization.

4806. Also, petition of the Ancient Order of Hibernians and the Ladies' Auxiliaries to the Ancient Order of Hibernians of the State of Connecticut, having a membership of 4,559 on May 1, 1934, to support amendment to section 301 of Senate bill 2910, providing for the insurance of equity of opportunity for educational, religious, agricultural, labor, cooperative, and similar non-profit-making associations seeking licenses for radio broadcasting by incorporating into the statute a provision for the allotment to said non-profit-

making associations of at least 25 percent of all radio facilities not employed in public use, etc.; to the Committee on Interstate and Foreign Commerce.

4807. By Mr. MONAGHAN of Montana: Petition of 15 Butte, Mont., employees of organizations handling securities, protesting against the pending stock-exchange bill; to the Committee on Interstate and Foreign Commerce.

4808. Also, petition of 31 officers and employees of Metals Bank & Trust Co. of Butte, Mont., protesting against the pending stock-exchange bill; to the Committee on Interstate and Foreign Commerce.

4809. Also, petition of 58 residents of Anaconda, Mont., protesting against the revised Tugwell bill no. 2000; to the Committee on Interstate and Foreign Commerce.

4810. Also, petition of 22 residents of Kalispell, Mont., favoring the Frear resolution against war; to the Committee on the Judiciary.

4811. Also, petition of 95 residents of Kalispell, Mont., favoring immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

4812. Also, petition of 309 residents of Missoula, Mont., favoring the immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

4813. By Mr. RUDD: Petition of the Brotherhood of Railroad Trainmen, legislative board, State of New York, favoring the passage of House bill 7430, 6-hour day bill; to the Committee on Labor.

4814. Also, petition of the Joint Cooperative Board Brotherhood of Locomotive Firemen and Enginemen, Delaware & Hudson System, Albany, N.Y., favoring the passage of House bill 7430, 6-hour day bill; to the Committee on Labor.

4815. Also, petition of the Associated Coffee Industries of America, New York City, opposing the extension of the compensating tax on jute products to jute bags imported as containers of coffee; to the Committee on Ways and Means.

4816. Also, petition of the Brotherhood of Railroad Trainmen, legislative board, State of New York, opposing certain amendments to Senate bill 3266, amending the Railroad Labor Act; to the Committee on Interstate and Foreign Commerce.

4817. Also, petition of the Texas Bankers Association, Tyler, Tex., favoring Federal assistance in cooperation with State authorities in the enforcement of laws regulating the movement of oil in commerce; to the Committee on Interstate and Foreign Commerce.

4818. Also, petition of the Catholic Benevolent Legion, Brooklyn, N.Y., favoring the proposed amendment to section 301 of Senate bill 2910, as contained in House bill 8977; to the Committee on Merchant Marine, Radio, and Fisheries.

4819. By Mr. SNYDER: Petition signed by Mr. Martin Migrock, of Banning, Pa., and 173 members of Local Union, No. 2025, of the United Mine Workers of America who are residents of Fayette County, Pa., urging the passage of the Wagner-Lewis unemployment insurance bill; to the Committee on Labor.

4820. By Mr. THOMAS: Telegram from C. R. Palmer, president Cluett Peabody & Co., Troy, N.Y., opposing further limitation of hours for industry; to the Committee on Labor.

4821. By the SPEAKER: Petition of the code authority of the narrow fabric industry, opposing House bill 8492; to the Committee on Labor.

4822. Also, petition of the National Society Daughters of the Revolution, New York, recommending the equipping and developing of the Reserve Officers' Training Corps; to the Committee on Military Affairs.

4823. Also, petition of the National Society Daughters of the Revolution, disapproving of the child-labor amendment to the Constitution of the United States, adopted by the Congress of 1924; to the Committee on Labor.

4824. Also, petition of the Nativity Council, No. 357, Knights of Columbus, in the city of New York, State of New York, requesting the support of section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

4825. Also, petition of Frank B. Moore and others, opposing the lottery bill; to the Committee on Ways and Means.

4826. Also, petition of John Wright and others, requesting the passage of House bill 9596; to the Committee on Interstate and Foreign Commerce.

4827. Also, petition of the City of Dearborn (Mich.) Council, requesting removal of certain restrictions as set forth in section 204-A of the National Recovery Administration; to the Committee on Ways and Means.

SENATE

TUESDAY, MAY 29, 1934

(Legislative day of Monday, May 28, 1934)

The Senate met at 11 o'clock a.m., on the expiration of the recess.

THE JOURNAL

On motion of Mr. ROBINSON of Arkansas, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day, Monday, May 28, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. ROBINSON of Arkansas. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Couzens	Johnson	Reynolds
Ashurst	Cutting	Kean	Robinson, Ark.
Austin	Davis	Keyes	Robinson, Ind.
Bachman	Dickinson	King	Russell
Bankhead	Dietrich	La Follette	Schall
Barkley	Dill	Lewis	Sheppard
Black	Duffy	Logan	Shipstead
Bone	Erickson	Loneragan	Smith
Borah	Fess	Long	Steiwer
Brown	Fletcher	McCarran	Stephens
Bulkley	Frazier	McGill	Thomas, Okla.
Bulow	George	McKellar	Thomas, Utah
Byrd	Glass	McNary	Thompson
Byrnes	Goldsbrough	Metcalf	Townsend
Capper	Gore	Murphy	Tydings
Caraway	Hale	Neely	Vandenberg
Carey	Harrison	Norris	Van Nuys
Clark	Hastings	O'Mahoney	Wagner
Connally	Hatch	Overton	Walcott
Coolidge	Hatfield	Patterson	Walsh
Copeland	Hayden	Pittman	White
Costigan	Hebert	Pope	

Mr. LEWIS. I announce that the Senator from California [Mr. McAdool] is still detained from the Senate on account of illness, and that the Senator from North Carolina [Mr. BAILEY], the Senator from Florida [Mr. TRAMMELL], and the Senator from Montana [Mr. WHEELER] are necessarily absent.

Mr. HEBERT. I desire to announce that the Senator from New Jersey [Mr. BARBOUR], the Senator from Vermont [Mr. GIBSON], and the Senator from Pennsylvania [Mr. REED] are necessarily absent from the Senate.

The VICE PRESIDENT. Eighty-nine Senators have answered to their names. A quorum is present.

INVITATION TO COAST ARTILLERY SCHOOL BATTLE PRACTICE

Mr. SHEPPARD. Mr. President, I should like to have read at the desk a brief letter from Maj. Gen. W. F. Hase, Chief of Coast Artillery.

The VICE PRESIDENT. Without objection, the clerk will read as requested.

The legislative clerk read as follows:

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF COAST ARTILLERY,
Washington, May 18, 1934.

HON. MORRIS SHEPPARD,
Chairman Military Affairs Committee,
United States Senate, Washington, D.C.

DEAR SENATOR SHEPPARD: Believing that some members of your committee and perhaps other Members of the Senate might be interested in seeing a Coast Artillery target practice, I would like to invite them to go to Fort Story, at the entrance of Chesapeake Bay, on June 8 to see the student officers at the Coast Artillery School conduct their battle practice with 8-inch railroad guns and 155 G.P.F. guns. This firing is scheduled for the morning of

Friday, June 8. The party would have to leave on the 6:30 p.m. Washington-Norfolk boat Thursday, June 7, arriving at Norfolk at 8 a.m., Friday, June 8. The round-trip fare is \$5, and passengers can take their automobiles as baggage without any extra charge. The trip from Norfolk to Fort Story can be made in 1 hour. The party can return from Norfolk that night and be back in Washington at 7 a.m. Saturday, June 9.

I believe such a trip would be interesting to your members, as they would have the opportunity to see our installations at Fort Story and to know what we try to teach our students at the Coast Artillery School.

If any of the Members might desire to remain over Sunday in "tidewater Virginia", they could spend Saturday and Sunday at Fort Monroe, Va., at Yorktown, Jamestown, and Williamsburg, returning from Fort Monroe on Sunday night's boat or driving back to Washington at their convenience.

I would be glad to know if any Members contemplate going, in order to inform the Commandant of the Coast Artillery School, who will arrange to meet the party at Norfolk and conduct them to Fort Story.

Sincerely yours,

W. F. HASE,

Major General, Chief of Coast Artillery.

Mr. SHEPPARD. Mr. President, I trust that as many Senators as possible will visit Fort Story on the occasion of the target practice, and, if any can make the trip, I hope they will let me know in advance.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a telegram in the nature of a memorial from William S. Hauser, legislative director, etc., Brooklyn, N.Y., stating, in part, that "The postal workers of America, composed of postal employees of all classifications, urge rejection of S. 3523 in its present form, and adoption instead of bill providing for abolition of postal furloughs and guaranteeing continued employment of every postal employee", which was referred to the Committee on Post Offices and Post Roads.

He also laid before the Senate a resolution adopted by the Sovereign Grand Lodge of F. and A. M. of Puerto Rico, in its annual communication held in Mayaguez, P.R., favoring the passage of the so-called "Lanzetta bill", excluding the island of Puerto Rico from coastwise shipping laws, which was referred to the Committee on Territories and Insular Affairs.

LA FAYETTE MEMORIAL PARK, TALLAHASSEE, FLA.

Mr. FLETCHER presented a statement embodying a resolution adopted by the City Commission of Tallahassee, Fla., relative to the dedication of La Fayette Memorial Park in that city, which was ordered to lie on the table and to be printed in the RECORD, as follows:

DEDICATION OF LA FAYETTE MEMORIAL PARK

Marquis de La Fayette, a French general and statesman, and one of George Washington's most faithful officers during the American Revolution, was born September 6, 1757, in France. His parents died when he was a youth, leaving him large estates. He entered the French army and became a general in active service. At the beginning of the American Revolution, General La Fayette espoused the cause of American independence, and, fitting out a ship, sailed from Spain, landing at Georgetown, S.C., April 24, 1777, among his companions being Baron de Kalb. The arrival of La Fayette in America gave new hope to the supporters of the revolutionary cause. On July 31, 1777, Congress bestowed upon him the rank of major general, and he was soon after attached to the staff of Gen. George Washington. In the battle of Brandywine General La Fayette was wounded while rallying the American troops. He was also with Washington at Valley Forge. He received the thanks of Congress for his brilliant military conduct at Monmouth. In 1799, on the outbreak of war between England and France, General La Fayette returned to his native land and while there secured substantial aid for the Americans. He soon returned to this country and reentered the military service. He was a member of the court martial that condemned Major Andre to death. He commanded the American forces against the British under Benedict Arnold and rendered distinguished services as a sagacious and intrepid officer. In 1781 he again returned to France, but revisited America again in 1784, when he was received with great enthusiasm. The liberal views he imbibed in America enabled him to render valiant service in the assembly and in the armies of France.

In August 1824 La Fayette returned to the United States on the invitation of the President at the request of Congress and was received in various parts of the country with warmest expressions of delight and enthusiasm. Congress voted him a grant of \$200,000 and a township of land, which extended 6 miles north and 6 miles east of the city limits of Tallahassee. The patent therefor was issued July 4, 1825. General La Fayette did not see